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3 October 1984

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INTER-AMERICAN AFFAIRS

GUATEMALA, EL SALVADOR TO LINK ELECTRICITY SYSTEMS

San Salvador DIARIO LATINO in Spanish 23 Aug 84 p 20

[Text] The contracts relevant to execution of the projects required to link the electricity systems of the republics of Guatemala and El Salvador will be signed today at the Central American Bank for Economic Integration, the headquarters of which are in Tegucigalpa.

Signature of these contracts will be effected jointly by Guatemala's National Electrification Institute (INDE) and El Salvador's Hydroelectric Executive Committee for the Lempa River (CEL) with the Spanish firm of ELEC NOR and the Swiss firm of Brown Boveri. The work to be done consists of: a) a 230-kilowatt transmission line, 110 kilometers long, that will connect the substation of the Ahuachapan Geothermal Plant with INDE's eastern Guatemala substation, which is situated in the Guatemalan capital; b) construction, provision and installation of equipment for the Ahuachapan and eastern Guatemala substations; and c) provision and installation of the telecommunications equipment for the linking system.

Today marks the culmination of a very important phase in the process of linking the electricity systems of Guatemala and El Salvador, a process initiated in July 1974, when INDE and CEL officials formed working groups to consider the desirability of taking the all-important step of linking the two electricity systems. These meetings resulted in a feasibility study, which, having been carried out by the Belgian consulting firm Courtoy Traction, was completed in February 1980.

In 1979, the linking equipment was signed by the governments of the two countries. Taking part in this important event on CEL's behalf will be Gen Jaime Abdul Gutierrez, its president, whose duties include the signature of documents; Miguel Sandoval Guerra, executive subdirector; and Ruben A. Mejia Pena, head of the legal department.

Signing the contract on INDE's behalf will be Gen Jose Oscar Sandoval Torres, supervising president of that institution, who will be accompanied by Fausto Aragon, subdirector of works and production, and Efraim Rivas, head of the legal department.

The linking of El Salvador and Guatemala's electricity systems will allow for the exchange of energy surpluses; reduce the need for reserves and facilitate

mutual support in emergency situations by increasing the operating capacity of the two electricity systems and the effectiveness of the hydraulic resources of the two nations. The principle of reciprocity will be the basic norm in execution of the agreement and operation of the link.

The high-ranking CEL officials who will visit Honduras to sign the linking contacts will take advantage of the occasion to continue talks on the linking of Honduras and El Salvador's electricity systems, a project that has reached an advanced negotiating stage and will be implemented with the objective of achieving the effective use of the two nations' resources and the much desired integration of Central America.

Realization of the Guatemala-El Salvador link and the Honduras-El Salvador linking project will complete the linking of the electricity systems of Central America and Panama, since the Panamanian, Costa Rican, Nicaraguan and Honduran systems are already linked.

12336

CSO: 3428/784

MERCADO POLL REVEALS WORKERS PREFER DIALOGUE TO STRIKE

Buenos Aires MERCADO in Spanish 9 Aug 84 pp 28-30

[Text] A poll conducted by A & C exclusively for MERCADO reveals that people do not want to go on strike; 85 percent of those questioned prefer dialogue as the only means to obtain their demands. In recent months, however, various labor conflicts in different unions have led thousands of workers to go out on strike. According to the specialized publication TENDENCIAS ECONOMICAS, if the year 1980 is used as a base of 100 in the index of strikes, the rate for the first 7 months of 1984 would be 45,385, as opposed to 15,515 for the same period of last year; the month of July alone shows an index of 128,336, as opposed to 5,201 by July 1983. Newspapers and radio and television news programs report regularly on the labor conflicts that are taking place throughout the country. Everyone is familiar with the inconveniences to the public caused by strikes in the banks, and no one can forget the strikes by workers in the railroad, passenger transportation, and metal industries, and those by the municipal employees of Rosario and even the provincial police of Neuquen, Misiones, Tucuman, Chaco, San Juan and La Rioja. These conflicts are dragging thousands of workers into strikes, or causing them to take some sort of forceful measures. The problems of the Metalworkers Union (UOM), for example, involve around 300,000 people; in the banking sector, 120,000; no fewer than 150,000 workers are affected in the sanatorium and private hospital sector, while 30,000 miners are involved in that sector, just to name the most significant sectors. But do the people really want to strike? A lot is said and done in the name of the "rank and file members," but who knows for certain what these workers think and feel? Aside from any considerations of just demands, many believe that groups of clever leaders lead entire unions into strikes for the sole purpose of justifying personal positions or satisfying political ambitions. Of course everything is done behind the honorable screen of alleged loyalty to the rank and file. It was for these reasons that MERCADO commissioned A & C to carry out a survey to find out which people prefer: strike or dialogue.

The study was undertaken on the basis of a representative sample of 400 cases in the Federal Capital and Greater Buenos Aires, observing the parameters of the population reflected in the 1980 Census. It was implemented by means of a guided questionnaire administered by specially trained A & C poll-takers at randomly selected concentration points. The work was 100 percent supervised.

The questionnaires were gone over completely first, and then processed electronically; the margin of error for the sample is plus or minus 5 percent.

Esther Kaplan, director of public opinion for A & C, and Susana Perez, who is in charge of the Field Area, explained that "wherever noise is heard more than silence, one must consult the oft-mentioned silent majority in order to realize that those who make their voices heard are not always representative of the majority."

"It is said that when strikes take place in a country that is a sign that democracy rules. That may have been so for the theoreticians of the French Revolution, but for an Englishman it is an indication that democratic institutions are not working. While it is true that in our country strikes are synonymous with liberty, we run the risk of associating them with libertinism. The military, according to recent social theoreticians, always makes order out of the disorder caused by us civilians, but 33 years of civilian-military governments is enough."

The question that the A & C interviewers took to the street appears in Table 1: What is the way for workers to win their demands? The answers are surprising, to say the least: 85 percent of those polled indicated that dialogue is the only way for workers to achieve their demands; 11 percent leaned toward strikes, and the remaining 4 percent stated they did not know, or did not answer the question. In view of this evidence, many may wonder how many people are represented by the strikers who are so prevalent these days.

Table 1

What is the way for workers to win their demands?

Striking is the only way	11%
Dialogue is the only way	85%
Don't know	4%
	100

But let us look at the people's answers more carefully. If the job classification of the people surveyed is taken into consideration (Table 2), we can see that high-level white-collar workers appear to agree more with unskilled blue-collar workers. It can also be seen that although the sample was limited to white- and blue-collar workers, 3 percent of them are university students who have not yet received their degrees or who dropped out. It also includes 3 percent unemployed workers.

Table 2

Job Variable

	Strike	Dialogue	Don't Know/No Response	Total
White-collar (lower)	8	89	3	100
White-collar (upper)	16	82	2	100
Skilled blue-collar	14	79	7	100
Unskilled blue-collar	10	86	4	100

Looking at the answers in relation to the sex of the person interviewed, we see that 83 percent of men opt for dialogue and 13 percent for strike; on the other hand, 91 percent of women prefer dialogue and only 5 percent want to go on strike. The conclusion is that the men appear to be more combative (see Table 3).

Table 3

Sex Variable

	Strike	Dialogue	Don't Know/No Response	Total
Women	5	91	4	100
Men	13	83	4	100

In Table 4 the answers are broken down according to the age of the participants. It appears that among women as well as men, the younger workers appear to be the most "hardline;" thus, once concludes that reason comes with age, even among men.

Table 4

Age Variable

	Women			Men			Total
	Strike	Dialogue	DK/NR	Strike	Dialogue	DK/NR	
18-23 years	16	74	10	20	76	4	100
24-34 years	—	100	—	13	83	4	100
35-44 years	—	94	6	11	84	5	100
45-54 years	—	100	—	7	91	2	100

Table 5 looks at the level of education of those surveyed. From this point of view, it would appear that ideology, rather than real need, dominates the decision to go out on strike; those who favor striking most tend to be the university-educated, who seem to have formed a common front with the least-educated sectors: those who went only as far as grade school or part of high school, and those who had no schooling.

Table 5

Education Variable

	Strike	Dialogue	Don't Know/No Response	Total
University	17	83	—	100
High school graduates	8	89	3	100
Partial high school	15	82	3	100
Grade school or none	12	83	5	100

It should be noted that this sample was taken from white- and blue-collar workers in an attempt to limit the survey to those who were supposedly victims

of social injustice. Therefore, the sample only included university graduates who are performing tasks below their level of qualification. Therefore, they are social non-conformists who find outlets only through forceful measures, perhaps because they already tried the dialogue route without fulfilling their aspirations. It should be pointed out that they represent 3 percent of the population in this sample.

Planning a society is not an easy task, and it is not always done well.

Repeated public opinion polls show that those who have not finished high school are usually more contentious than their counterparts who graduated from high school. It is as if interrupting a course of action leads to a degree of personal dissatisfaction that is difficult to overcome. The authorities should bear in mind that more often than with professionals, among these workers the fact that their education was interrupted causes personal unhappiness, the root of all social ills.

In Table 6 the responses are analyzed according to the regional variable. It can be seen that those who live in the Federal Capital prefer dialogue in 84 percent of all cases, while those in Greater Buenos Aires also favor dialogue in 85 percent of cases. Thus, the concentration of those who are more combative appears to be in the Federal Capital and not in Greater Buenos Aires, which is supposedly poorer and has greater problems.

Table 6

Regional Variable

	Strike	Dialogue	Don't Know/No Response	Total
Federal Capital	14	84	2	100
Greater Buenos Aires	10	85	5	100

Finally, Table 7 looks at the marital status of the participants. There we see that 83 percent of singles incline toward dialogue; among married respondents, 87 percent made the same choice. Married workers seem to prefer dialogue to striking. Those who are separated or widowed seem to be the most contentious.

Table 7

Marital Status Variable

	Strike	Dialogue	Don't Know/No Response	Total
Single	13	83	4	100
Married	9	87	4	100
Separated/Widowed	20	80	—	100

In conclusion, Kaplan claims that "despite the wave of violence that is seen daily on the police blotter or on the football field, we Argentines prefer the route of non-violence, although some advocate the 'struggle plan' that is so

much in vogue. There is no doubt whatsoever that strikes were a legitimate recourse for improving workers' standards of living in the past, but although some say history repeats itself, it is also true that we learn from it. It is time for human solidarity to bring a decent life to the neediest. As the Chinese proverb says, nations, like fish, die by losing their heads. More often than not, it is up to government leaders to prevent strikes. The population expects that."

8926

CSO: 3348/558

LABOR LEADER TRIACA ON TRADE UNIONS WITHIN DEMOCRACY

Buenos Aires A FONDO in Spanish Jul-Aug 84 p 17

[Commentary by Jorge Triaca]

[Text] The Argentine labor movement—along with its leaders—has been the target of much criticism and much aggression. It is likely to receive a lot more in its unshakable position of moderation in the country's social panorama. Sometimes this opposition sounds like veritable praise. For example, at one time Rockefeller said in Chile that the "plan for Latin America" had not fully succeeded in Argentina because of organized labor. That is undoubtedly a tribute to our movement, because in view of what has happened in recent years, "full success" would have meant the complete destruction of the country, from his point of view.

Foreign interests always slip through the cracks of national disunity. A labor movement based on the class struggle, the confrontation between labor and management, would have been much more useful for Mr Rockefeller's purposes than the unifying movement that exists in Argentina, uniting all workers.

Despite that, some claim that it is merely the "backbone" of Justicialism. It is undeniable that the vast majority of Argentine workers respond to Justicialism. That is because Peron made labor a social force; he laid the groundwork for its representativeness; he organized the movement and opened the workers' eyes.

But 40 years after those origins, 10 years after Peron's death, the Argentine labor movement—which continues to be overwhelmingly Peronist, and continues to follow his original guidelines—is now a national legacy.

This legacy has not ceased to grow and become stronger over time, even through the difficult 60s, when political activity was banned; even through the tragedy of subversion; even during the discredited "process," when—as Rockefeller asserted—it prevented the country from falling further into disgrace.

It is a national legacy above any partisan tendencies, a unionism that seeks not confrontation, not the destruction of private enterprise—as the classic left advocates—but rather the expansion of private enterprise so that an industrialized and prosperous country can generate more, better-paying jobs.

This national legacy consists of a labor movement that decades ago went beyond the traditional area of wage demands to extend its action to a multitude of fields which entail workers' needs that cannot be met with wages.

This national legacy consists of a labor movement whose strength is based on the achievements of social tourism, scholarships, hospitals and free medical care; a labor movement that pays back its members' dues and then goes on in the form of projects and services; a labor movement for which the establishment of social projects was merely the legal confirmation of a reality that had already been reflected in deeds for many years.

This national legacy consists of a labor movement that abandoned the sterile class struggle to cast its lot enthusiastically with a phenomenon of social mobility that is a symptom of human progress. The Argentine worker—atypical in Latin America, with no other similar case to be seen in this area—does not consider himself a man condemned to see the fruit of his efforts sterilized generation after generation, always tied to the lowest levels of society. The Argentine worker is a man who sees his daily efforts as a means to consolidate a constantly improving social and economic situation, a man who aspires to higher education for his children, a man who feels that he can improve his standing throughout his life, and that his descendants will be able to do what he could not.

Now democracy has returned to the country, and once again organized labor is healthy, strong and coherent; the unifying Argentine labor movement once again feels—and is recognized as—a valid interlocutor for political authorities, and an undeniable factor in Argentina's situation.

Politics in Argentina today, as we must always be very aware, cannot be limited to those who govern under the Constitution, because the country is the responsibility of all the sectors that constitute it.

This is also an undeniable fact, because if the sectors withdraw from that political community that is democracy, government officials will be working in a vacuum, and no system can survive under such circumstances, losing sight of the country's perspectives.

It is imperative that we understand that democracy is not an end in itself, a target after which everything else is a mere extra. On the contrary, democracy is a point of departure, a propitious line cast out that must be followed through completely, with effort, in a day-to-day struggle.

Democracy is a system, a framework of liberty within which we are moving once again. Hence, all sectors—and of course that includes organized labor as a component of Argentine society—must achieve the essential social, economic, educational and technological objectives that the system demands.

We have acceded to democracy. Fine. But now we must build the country, turn its always "potential" wealth into real prosperity. Argentina knows that it can count on organized labor, that national legacy, to carry out the task successfully.

AEROFLOT SEEKS PERMISSION TO BEGIN FLIGHTS

Aeronautics Minister Confirms Report

La Paz EL DIARIO in Spanish 23 Aug 84 p 1

[Excerpt] The Minister of Aeronautics confirmed yesterday that the Soviet airline Aeroflot is planning to begin flights to Bolivia, just as had been reported by EL DIARIO last Sunday.

Despite the efforts of some officials to play down the report, General Antonio Arnez took it upon himself to confirm the report that the Soviet airline has expressed interest in establishing passenger and cargo services between Bolivia and the Soviet Union, with stops in Lima, Havana and Paris, with Moscow as the terminus of the route.

Meanwhile, Arnez said that he had received no official word concerning the desire of the Cuban airline, Cubana de Aviacion, to extend its services to Bolivia.

The highest Bolivian aeronautics official said that ever since the Soviet state commercial airline Aeroflot expressed interest in operating to and from Bolivia, it is fulfilling regulatory formalities pursuant to the standards proposed and accepted by the International Civil Aviation Organization [OACI] and the National Aeronautics Code, for this purpose.

Arnez said that this enterprise, just as any other enterprise of a different national origin, has the right to try to operate in our country, and its actions cannot be restrained, provided that they are legal.

He acknowledged that Aeroflot is going through the long process and that its request may be passed upon later on, provided that it meets the strict requirements, which include negotiations with the Foreign Ministry, declarations regarding routes, frequency of flights, purposes, volume and types of cargoes, passenger service, and, as the deciding factor--public hearings between enterprises and organizations in the aeronautical field, in order to attempt to obtain approval for operations in Bolivia.

In any case, Minister Arnez said, there is still much to be done and the decision as to whether Aeroflot will or will not come to our country will be made later on.

Regarding the Cuban Government airline, Cubana de Aviacion, the aeronautics minister said that the foreign enterprise had not made a request to operate in Bolivia and that the ministry is unaware of any official overture.

Aeroflot Agreement Pending Resolution

La Paz EL DIARIO in Spanish 24 Aug 84 p 3

[Text] The signing of a binational agreement between Bolivia and the USSR to permit eventual operations by Aeroflot, the official airline of the Soviet Union to our country is pending resolution.

The news, obtained from Foreign Ministry sources by EL DAIRO reporters, indicates, on the other hand, that approval for such an authorization is being considered by the government.

Again according to our sources, "a meeting was held on a technical level in Santa Cruz de la Sierra between the members of the Bolivian-USSR joint commission, seeking a consensus as to the procedures which must be followed to obtain the eventual establishment of operations by a foreign airline in Bolivian territory."

Taking part in the important meeting were high-level officials of the Aeronautics Ministry and the Foreign Ministry of Bolivia, who, after reaching a consensus, signed the minutes at the conclusion of the first negotiations.

Signing for the Foreign Ministry were the director of bilateral economic affairs, Rene Beotegui Elio and the director of foreign policy, Gonzalo de Acha.

Once the final minutes have been signed, "from that time forward, the signing of the bilateral agreement between both nation develops upon the government through its respective mechanisms," our sources pointed out.

12674

CSO: 3348/562

POLL VIEWS PUBLIC DEMANDS ON NEVES IF ELECTED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Jul 84 p 6

[Article by the FOLHA DE SAO PAULO Research Department]

[Text] If he is chosen by the Electoral College for president of the republic, Tancredo Neves must immediately call direct elections and resign from office. That is what most of the public thinks. On the other hand, a considerable portion of the public would be satisfied if the Minas Gerais governor remains in office for 2 years, after which there would be direct elections. And, further, there are those who demand that extension of Tancredo Neves' mandate be debated by a National Constituent Assembly.

These are the most frequent replies to the survey FOLHA DE SAO PAULO made in six of the nation's major state capitals. Of those interviewed, 31.6 percent want direct elections immediately and resignation of the president. Adding to these the 6.2 percent who simply do not accept the possibility of Neves' being elected, one may infer that 37.8 percent oppose exercise of the presidency by the present Minas Gerais governor.

On the other hand, some of the public would accept Tancredo as president for periods varying from 2 to 4 years, if he receives permission from Congress to do so, after which direct elections would be called (respectively, 15.9 percent and 10.2 percent of the replies). A minority (5.7 percent) would accept a term of 6 years, as called for in the current constitution. Combined with those who, in one way or another, would consent to Tancredo's being president, they would be 31.8 percent of the replies.

That is where those who tip the scale come in: those who put the decision about extension of Tancredo Neves' mandate in the hands of a National Constituent Assembly. They represent 14.3 percent of the replies. Of course, there are those who simply "do not know": 16.1 percent of those interviewed.

A majority of persons who earn twice the minimum wage or less are not informed about the problem (41.8 percent of the replies) and have nothing to say about it. But 32.3 percent of those interviewed who are in this income bracket want direct elections and resignation, while 8 percent would consent to a 2-year term. Among those earning between two and five times the minimum wage, and those earning over five times the minimum wage, the majority (respectively, 39.2 percent and 35 percent) prefer direct elections and resignation. The second most frequent choice is:

[The Question] If Tancredo Neves is elected president of the republic by the Electoral College, what should he do about his mandate?

[The Possible Answers, or "Categories"] 1) Call direct elections immediately and resign from office.

2) Immediately call a National Constituent Assembly to decide upon the length of his mandate.

3) Send a message to the National Congress proposing reduction of his term to 2 years, followed by direct elections.

4) Send a message to the National Congress proposing reduction of his term to 4 years, followed by direct elections.

5) Remain in office for 6 years, as provided by the present constitution.

6) No opinion: the possibility of Tancredo Neves' election is too unrealistic.

7) Don't know.

(1) (2) CAPITAIS CATEGORIAS	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Salvador %	Porto Alegre %	Curitiba %	Média Ponderada (4) %
1	34,7	29,2	31,8	16,0	39,3	26,7	31,6
2	7,5	24,7	17,7	17,3	8,3	13,0	14,3
3	15,2	16,7	14,0	20,0	13,7	19,5	15,9
4	9,8	12,1	10,0	11,7	5,3	5,3	10,2
5	7,1	4,3	5,3	5,7	1,4	6,0	5,7
6	3,8	3,5	9,2	18,3	18,3	12,5	6,2
7	21,9	9,5	12,0	11,0	13,7	17,0	16,1
Número de entrevistas (3)	(1.000)	(600)	(400)	(300)	(300)	(400)	100,0 (1.000)

Key:

- | | |
|-------------------------|-----------------------|
| 1. Capitals [of states] | 3. Number Interviewed |
| 2. Categories | 4. Weighted Average |

a shortened term of 2 years. It is noted that the greater the income level, the greater the preference for a term shortened to 2 or 4 years.

The choices of the youngest follow the same trend: direct elections and resignation, an opinion that moderates among persons over 36 years of age. In second place is a 2-year mandate followed by direct elections. But a substantial portion of those aged 14 to 19 who were interviewed do not know which path to take (29.9 percent). And, curiously, it is among those over 36 where there is the least belief in Tancredo's chances of election.

Likewise, as many men as women (more of the former than of the latter) want direct elections and resignation. Their second choice is a 2-year term. Then, a 4-year term. Men, more than women, do not accept the idea of Tancredo Neves' election.

The FOLHA DE SAO PAULO Survey was conducted by the FOLHA DE SAO PAULO Research Department, headed by sociologist Mara Nogueira Kotscho. The author of the survey plan is Prof Reginaldo Prandi, of the USP [Sao Paulo University] Department of Social Sciences. The maximum predicted error is 3 percent. Formulation of the subject matter and analysis of the results is the responsibility of the Editorial Staff.

8834

CSO: 3342/145

BIOGRAPHIC PROFILE OF PRESIDENTIAL CANDIDATE NEVES

Sao Paulo FOLHA DE SAO PAULO in Portuguese 22 Jul 84 p 6

[Article by reporter Jose Roberto de Alencar]

[Text] Only two men today have a real chance of succeeding Gen Joao Batista de Oliveira Figueiredo as president of the republic: Paulo Salim Maluf of Sao Paulo and Tancredo de Almeida Neves of Minas Gerais. Because of having held an important position of power during the current decade--that of governor of Sao Paulo--and because of his fantastic ability to keep in the public eye, the former is much better known than the latter. No one can prove it, but everyone claims to know Maluf "very well."

In fact, Tancredo--who does not spend a fortune on roses, does not look for petroleum, does not play the piano in front of those who know how to play it and does not even try very hard to get his picture in the paper--even appears to have no past at all, in this country where almost half the population was not born until after 1962, the year in which he resigned from his last executive position--that of prime minister.

Tancredo has already accomplished much in his lifetime, which began in 1910; he was born in historic Sao Joao Del Rei, on 4 March. Graduating from law school in 1932 and sponsored by Augusto Viegas, he was immediately named public prosecutor --DASP [Administrative Department of Public Service] and competitive tests for civil service had not yet been invented.

The position gave him sufficient prominence to be elected city councilman of Sao Joao Del Rei in 1934, but he didn't get very far. In 1937 Getulio Vargas inaugurated his New State, closing all legislative chambers in Brazil and relegating Tancredo to the attorney's bench of his patron, Augusto Viegas. The next year as lawyer of the strikers of the Minas Gerais Transportation Network, Tancredo would be put in jail with the leaders of the strike by Getulio's police.

In 1947, Augusto Viegas was elected federal constituent deputy and carried Tancredo on his coattails to the state constituent assembly. Three years later Tancredo was elected federal deputy by the Minas Gerais PSD [Social Democratic Party].

"I urge the undertaking of a movement on a large scale and of great depth, with the purpose of restoring moral principles. (...) The constitutional fiction

that all are equal before the law will not suffice, because they will not be if they do not have the means to assert such equality. As a consequence, economics and politics must be subordinated to ethics."

Tancredo could repeat today, in defense of his "indirect anti-Maluf candidacy," this and many other phrases from the speech he made in June 1953 when, at the invitation of the same Getulio, he left Congress to become Minister of Justice and Internal Affairs, to replace Negrão de Lima.

It was in this position that Tancredo proved he deserved the nickname of "Minas fox," a species rapidly becoming extinct, victim of other fauna perched in positions of authority in Brazil. In that same speech, the new justice minister went on to say other things that today would not even be heard from the labor minister: "The rights of the worker must prevail over the interests of business," and "we must put the worker above capital."

A dangerous communist of that time? No. The main trait of "foxes" is to say the right thing at the right time, without much commitment to the facts. And to say a lot, although not very often--all of Tancredo's speeches are very long.

It was a crisis situation. The worker of the PTB [Brazilian Labor Party] and the rural oligarch were the political mainstays of the head of their government, Getulio, victim of intense and implacable campaign waged by the UDN [National Democratic Union], the more modern party of the urban business community.

The UDN disliked Getulio because of Petrobras, Vale do Rio Doce, CSN [National Steel Company] and, in fact, for nationalizing vital sectors of the economy that previously were nonexistent or dominated by international groups. To appease the UDN forces who opposed nationalization, Tancredo had said that "the State is concentrating more and more power (...) sometimes assuming the horrifying features of a Leviathan monster." The worker of the PTB thus also had a right to blandishment.

Tancredo would later give much proof that he preferred state enterprises to the multinationals. In the ministry he defended Getulio from involvement in the "scandal" of favoring the Bank of Brazil to ULTIMA HORA, evading questions about formation of the General Confederation of Labor (CGT) or the Syndicalist Party and rhetorically rejecting threats of a coup. He had forgotten about nationalization.

As a matter of fact, when the coup was aborted by Vargas' suicide in August 1954, Petrobras and other nationalist achievements were saved by the testimonial letter. So much did Tancredo agree with what Getulio had written that he kept the pen Getulio had used to sign the suicide note.

Backed by Juscelino and Bias Fortes, Tancredo headed the Rediscount Department of the Bank of Brazil and the National Economic Development Bank. He was adviser to the Superintendency of Money and Credit (SUMOC) and secretary of finance for Bias.

In 1959, always helped by Bias and JK [Juscelino Kubitschek], he pulled the rug out from under Ribeiro Pena--who had been certain of becoming candidate for governor of Minas Gerais at the PSD convention--so violently that Pena resigned as

Bias' secretary of public safety, refused JK's invitation to be minister of justice, never went to Brasilia to speak to JK, who had called him, and swore he would never again become involved in politics.

Candidate Tancredo lost to Magalhaes Pinto of the UDN in 1960. In April of 1961 he was appointed by Janio as ambassador to Bolivia.

The PSD would not let Tancredo accept the offer of the UDN's Janio Quadros, and for him it was just as well: Janio resigned in August--always August. The military would not let Vice President Joao Goulart assume the powers to which he was entitled, and the story again took a Minas Gerais twist: Tancredo beat Gustavo Capanema and Auro de Moura Andrade in a tumultuous vote in Congress--a precedent that should worry Maluf--and became prime minister. As the regime, on that same night of 7 September 1961, had ceased to be presidential and had become parliamentary, power no longer was in the hands of President Jango, but in those of Prime Minister Tancredo.

The speech presenting his cabinet's program, on 29 September, was one of the longest in the nation's history: over 6,000 words. In December, he himself, as prime minister, was supporting Instruction 204--which had been one of the principal reasons for Janio's downfall--in Congress under heavy artillery from Pacheco Chaves, Gabriel Hermes and even Saturnino Braga, who did not agree with the private refineries gaining from the tax shelter given to Petrobras.

Tancredo renewed relations with the Soviet Union, threw out the Hanna Mining Corp., instituted the 13th salary and it can be said that all the most progressive measures adopted when Joao Goulart was president came from his cabinet. After resuming power, through the plebiscite, after the cabinet resigned, on 26 June 1962--when Tancredo made another hour-long speech--Jango was not able to advance.

IBGE [Brazilian Institute of Geography and Statistics] estimates that there were 75 million Brazilians living that year. Many of them were not old enough then to remember Tancredo today. And it is good to remember, rather than to be left with only the current image, of the governor who goes along with Delfim's economic policy, who shuts down factories such as that of railroad cars in Santa Matilda and Itau Cement, who represses a demonstration of 300 teachers with 600 police, and who puts the police above almost all public demonstrations.

8834

CSO: 3342/145

COSTS FOR ACHIEVING ENERGY INDEPENDENCE BY 1993 DISCUSSED

Brasilia CORREIO BRAZILIENSE in Portuguese 29 Jul 84 p 19

[Article by Roberto Penteado, of Economics Publishing]

[Text] For Brazil to achieve energy independence by 1993, it will be necessary to hold petroleum consumption to a level of 1 million barrels per day and meet any increase beyond this level by use of alternative domestic sources. To stabilize consumption at the proposed level it will be necessary to invest \$58.8 billion in 10 years and over \$56.7 billion to increase petroleum output and reserves needed for self-sufficiency. The total cost of the program will be \$115.5 billion.

The Ministry of Mines and Energy is publishing its plan for energy self-sufficiency for broad dissemination and discussion among the public and official agencies. According to the document, the basis for everything will be a negative growth rate of petroleum consumption, as opposed to other nonrenewable sources, such as natural gas, steam coal, uranium and shale, and renewable sources, such as hydroelectric power, sugar cane and firewood. Another outstanding feature is the expectation of steady reduction of petroleum imports until these are completely replaced by domestic production in 1993.

The economic scenario of the self-sufficiency plan provides for the economy returning to a growth rate of 3 percent in 1985, rising steadily to 5.6 percent annually after 1989 and remaining constant through 1993. This scenario, which is the same as used by BNDES [National Economic and Social Development Bank] specialists in a recent study of the Brazilian economy's prospects for the next decade, would give in 1993 petroleum imports of 900,000 barrels daily if the plan were not adopted. There are three basic policy guidelines: in the first place, maximum use of sources and alternative forms of energy produced domestically; next, maximum use of electrical energy, minimal generation based upon petroleum; and, lastly, increasing production and reserves of petroleum and natural gas.

The domestic energy sources studied are alcohol, consumption of which is to increase by 9.5 percent annually through 1993, reaching 19.7 billion liters, which would occupy an area of 4 million hectares or 8 percent of the area cultivated in 1980. Sugarcane bagasse, firewood and charcoal would replace 105,000 barrels daily of fuel oil by 1993. Coal and bituminous shale would represent the equivalent of another 48,000 barrels a day of petroleum, besides other sources being developed.

Petroleum Imports (Thousands of Barrels Daily)

	84	85	86	87	88	89	90	91	92	93
(1) Previsão-Cenário										
econômico de referência	620	630	660	668	720	780	790	840	870	900
(2) Cenário Autonomia	475	336	324	300	260	250	227	100	30	—
(3) Diferença (3) = (1)-(2)	145	294	336	368	460	530	563	740	840	900
(4) Economia de Divisas										
acumulada US\$ bilhões	1,6	4,8	8,5	12,5	17,6	23,4	29,5	37,6	46,8	56,7

Key:

1. Forecast for Standard Economic Scenario
2. Scenario for Self-Sufficiency
3. Difference: (3) = (1) - (2)
4. Cumulative Savings in Foreign Exchange (Billions of U.S. Dollars)

These other sources being developed would not represent a significant share of the National Energy Situation, but would be important at the regional level. Localities at a great distance from large centers could use vegetable oils, solar energy, babassu, peat, biogas and gas from wood, reducing the demand for fossil fuels and even generating local development. For example, transport of diesel fuel to Rondonia or Roraima increases the cost of the product so much that vegetable oils such as African palm oil, unfeasible near the large urban centers, could even become competitive.

The \$58.8 billion of investments planned through 1993, intended to stabilize consumption of petroleum derivatives at 1 million barrels daily, consists of the following: \$48.6 billion to generate electricity--hydraulic, nuclear, thermal, including transmission, distribution and facilities; \$6.5 billion in the alcohol sector--73 percent in distilleries and 27 percent in agricultural production; \$2 billion in the sector of firewood and charcoal, mainly in reforestation--this figure may be reduced through introduction of rational management of natural forests; \$1 billion in the coal sector--79 percent for mining and 21 percent for expansion of washing facilities; and \$700 million in the area of shale, for mining and producing oil. No quantification was made for investment in the other sources being developed. Resources of the energy sector represent 4 percent of GDP, a figure consistent with previous performance, when it varied between 3 percent and 3.9 percent.

For the sector of petroleum and natural gas, investments of \$56.7 billion were estimated, assuming that the cost of exploration and production from new deposits will continue the same trend as for the period between 1973 and 1983, necessary if domestic production is to reach 1 million barrels daily after a period of

Investments of the Energy Sector (Billions of U.S. Dollars)

Government	108.0
Electricity	48.6
Petroleum and Natural Gas	56.7
Shale	0.7
Private	9.5
Alcohol	6.5
Firewood and Wood Charcoal	2.0
Coal	1.0
Total	115.5

10 years. The total cost of the program is \$115.5 billion in 10 years, which would generate a savings in foreign exchange of about \$56.7 billion. This money would increase the expected surplus in the Brazilian trade balance during the 1984-93 period and could be used either to increase domestic investment or make more imports available.

8834

CSO: 3342/145

FISCAL INCENTIVES FOR GRANDE CARAJAS, PROJECTS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Aug 84 p 34

[Text] Rio de Janeiro--The fiscal incentives, mainly income-tax exemption, for investments in the area of the Grande Carajas Program, which were to come to an end next year, will benefit investors until 1990, according to a decree announced recently by President Figueiredo. The measure, according to the executive secretary of the program, Senator Joao Paiva Menezes (PDS [Social Democratic Party]-PA [Para]), implies a volume of incentives of 115 billion cruzeiros annually and will allow continuation of total investments equivalent to 16.5 trillion cruzeiros.

The senator feels the measure represents a guarantee that the program will be sustained, "so that development of the Amazon Region becomes a reality instead of a dream." Menezes reports that he is in close touch with a mission from the Japan International Agency (JAICA), which represents large interests in Japan and for 2 months has been traveling about the Carajas area to find the best opportunities for investment, through soil studies. A team from the Inter-American Development Bank (IDB), made up of engineers and economists, is also in Brazil. They spent last week discussing agricultural, livestock and mining centers in the area with the Mineral Resources Prospecting Company and other development agencies, it is reported by the IDB itself. And, according to the program's executive secretary, there are prospects that a mission of Swiss bankers will come to get more information about the undertaking.

Data furnished by Senator Joao Menezes indicate that by the beginning of last July 28 projects were installed or in the process of installation in the program's area. He contends that these projects and other that will follow, although amply benefited by fiscal incentives, will at the same time be beneficial for the collection of federal, state and municipal taxes. In Para, no less than 70 municipalities are included in the program's area, besides 13 in Maranhao and 17 in Goias. "When iron-ore exports are begun, in 1985, the Single Tax on Minerals alone will generate about US \$40 million per year," the senator says. Of this total, 10 percent will be for the federal government and 90 percent for the states, which in turn will earmark 20 percent of their revenue for the municipalities.

He also gives an example of the significance of these enterprises in terms of collecting the Merchandise Distribution Tax [ICM]. "Camargo Correa alone, which in 1983 paid 400 million cruzeiros in ICM to the region, will be paying 100 million cruzeiros per month, or 1.2 billion cruzeiros annually."

Regional Plan

According to the executive secretary of the Carajas Program, discussions with JAICA are now reaching the stage of looking at "various selected subregions with potential for development, so as to draw up a regional development plan that will focus on livestock and agriculture." With this objective in mind, as well as industrial and mineral development, several regions have been chosen for priority treatment, comprising about 20 localities.

Grande Carajas Program: Companies with Approved Projects

1. Albras--Aluminio Brasileiro S/A: Production and marketing of primary aluminum in Barcarena, Para.
2. Alunorte--Alumina do Norte do Brasil S.A.: Production and marketing of alumina, in Barcarena, Para.
3. Rio Doce Valley Company: Iron ore mining in Serra de Carajas, Para.
4. Alumar Consortium (Alcoa Aluminum and Billington Metals): Production of primary aluminum in Sao Luis, Maranhao.
5. Andrade Gutierrez Construction Co.: Settlement of 400,000-hectare area in Sao Felix do Xingu, Para.
6. Mendes Junior Agricola do Para SA (Agromendes): African-palm plantation of 6,000 hectares and an industrial unit to produce African palm oil and palm cabbage in Acara, Para.
7. Agrima SA--Agricola do Maranhao: Agroindustrial project for complete use of babassu nut, in Codo, Maranhao.
8. PORTOBRAS--Brazilian Ports Enterprise: River port of Vila do Conde, in Barcarena, Para; Dams in Tucurui, Para; Port of Itaqui in Sao Luiz, Maranhao; Port of Belem, Para.
9. Agropecuaria Ceres SA: Agricultural and Livestock Project in Tuiacu, Maranhao.
10. CIT: Cia. Industrial Tecnica: Complete use of Babassu nut, in Sao Luiz, Maranhao.
11. Construcoes e Comercio Camargo Correa SA: Mill for producing metallic silicon of metallurgical grade, in Tucurui, Para.
12. Metaltec Ltd: Processing and exporting of wood charcoal, in Sao Luiz, Maranhao.
13. Carajas Food Products Industrial and Marketing Co.: Food production, processing and marketing of meat, manufacture of ice, jerked beef, and cold-storage plant, Sao Luiz, Maranhao.
14. ELETRONORTE (Northern Electric Power Plants): Tucurui hydroelectric plant and associated transmission.
15. Cipasa--Castanha Industrial do Para: Production and processing of lumber, wood charcoal, sawmill, cultivation of brazil nuts, in Moju, Para.
16. Maiame--Madeira Italia Americana Com. & Ind. Ltd: Development and finishing of lumber, production of railway ties, in Breves, Para.
17. Agropecuaria Tratex do Maranhao: Farming and Livestock project in Fazenda Carolina, in Turiacu and Santa Helena, Maranhao.
18. Agropor--Agropecuaria Rodominas Ltd: Farming and Livestock project in Santa Luzia, Maranhao.
19. A. O. Gaspar Industrias SA: Factory for manufacturing soap, margarine and glycerine, in Sao Luiz, Maranhao.
20. Cia. Agropecuaria Santa Maria de Canarana: Independent distillery for producing motor-fuel ethanol in Fazenda Canarana, in Conceicao do Araguaia, Para.

21. Mata Geral Land Company: rural-urban subdivision of Cumaru, in Sao Felix do Xingu, Para; Fazenda Santa Tereza livestock project in Redencao, Para.
22. Fazenda Paraguassu SA: Farming, livestock and industrial project being installed on a plantation in Sao Domingos do Capim, Para.
23. Meape, Ltd: Agricultural, livestock and forestry development,,including production of wood charcoal on property called Cipoal, in Turiacu, Maranhao.
24. Metaltec, Ltd: Production and export of charcoal, industrial district of Sao Luiz, beside Pedrinhas-Itaqui Railway.
25. Metalurgica Borges e Kaltner Ltd: Manufacture of boilers, mining equipment and machinery for extracting palm oil, in Castanhal, Para.
26. Queiroz Galvao do Carajas,SA: Project Pacaja--farming and livestock project in municipality of Portel, Para.
27. Alcoa Aluminio SA (Alumar Consortium): Expansion of "Project Sao Luiz" expanding production of primary aluminum by over 135,000 tons.
28. Sotave Amazonia Quimica e Mineral SA, Fertilizer industry on Caratateua Island, Belem, Para.

8834

CSO: 3342/145

STEEL, NONFERROUS METALS PRODUCTION ON RISE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 7 Aug 84 p 34

[Text] Brasilia--Brazilian steel production continues to grow, having reached 1,580,500 tons, measured in raw steel, in July, compared with 1,474,800 tons in June and 23.6 percent more than in July 1983. Cumulative production for the first 7 months was 10,541,800 tons of raw steel, 31.9 percent more than in the same period of last year.

The figures, reported yesterday by the National Council for Nonferrous Metals and Steel (CONSIDER), show an increase in the output of rolled steel: 1,317,300 tons in July, 24.7 percent more than in the same month of 1983, compared with 1,272,100 tons in June. For January through July, production of rolled steel was 8,675,600 tons, 31.7 percent more than in the same 1983 period.

Brazilian iron and steel production has been growing essentially as a function of direct and indirect exports through sales abroad of industrialized products containing rolled steel. CONSIDER itself estimates that, as a function of direct and indirect exports, iron and steel output this year is likely to reach 19 million tons, measured in raw steel, nearly equal to total installed capacity in the nation's iron and steel industry of 20 million tons per year.

According to the data released by CONSIDER, production of sponge iron, 27,100 tons in July, increased 7.1 percent over the same month of last year and was greater than the 21,400-ton output of June. There were 1,392,200 tons of pig iron produced in July [as published; June?] and 1,473,500 tons in July, the latter being 30.8 percent more than in July 1983. From January through July production of pig iron was 9,939,900 tons, 43.percent more, and sponge iron output was 156,400 tons, 26.9 percent more than in the first 7 months of 1983.

CONSIDER figures also show that in July copper production was 5,058 tons, somewhat more than in June (5,056 tons), but 22.5 percent less than in July 1983. Cumulative production from January through July was only 30,749 tons, which is 19.7 percent less than the same period of last year.

All the other nonferrous metals had percentage increases in production, the more outstanding being magnesium, with 574.9 tons (a 157-percent increase), tin, 9,298.2 tons (up 46.1 percent), and nickel, with 7,361.7 tons (an increase of 37.3 percent). Statistics on aluminum output are incomplete.

8834

CSO: 3342/145

FIRST HALF 1984 TRADE WITH FRG INCREASES

Santiago LA NACION in Spanish 1 Sep 84 p 7

[Text] The export of Chilean products to the FRG in the first half of this year increased by 7 percent, totaling 650 million marks, while Chilean imports from that European country grew by 31 percent, reaching DM 300 million. This is what the manager of the Chilean-German Chamber of Commerce and Industry, Heinrich Friese, has told LA NACION.

Friese indicated that the increase in German sales to Chile is attributable to a general increase in Chilean imports of capital goods and equipment. In the same vein, he noted that the revalorization of the dollar vis-a-vis European currencies has favored German exports, while Chilean products have become more expensive as a result of the same development.

With regard to the possibility of German firms making investments in our country, Friese affirmed that "there is quite a lot of interest in investment; nevertheless, this is a lengthy process and delays in implementation may occur." He added that, in any case, increases have recently been effected in the capitalization of companies already established in the country.

Concerning the international economic outlook, the manager of the Chilean-German Chamber maintained that "there is concern at present over the United States' economic policies, chiefly because of the rise in interest rates and the very large fiscal deficit, which forces it to take protectionist measures to counteract the fall in export prices."

As for the situation in Germany, he said that there would be 2.5 percent growth, somewhat less than had been projected at the beginning of the year, owing to the strikes that had taken place in the metallurgical industry and in printing.

Along the same lines, he declared that the inflation rate in Germany is very low, only 2.2 percent. Nevertheless, he disclosed that the problem of unemployment continues to exist and that it affects 9.6 percent of the labor force, or almost 2 million people.

Export Promotion

Friese said that Chile will participate through exhibits in several international fairs that will be held in Germany in the near future, such as the "You and Your World" fair that will be going on in Hamburg until 9 September and the 5-9 October Berlin Fair. Chilean participation is also contemplated in the Berlin Tourism Exchange, which begins 1 October next, and in the Green Week that will be held in the same city.

It should be pointed out that our country participated through exhibits in the Frankfurt Fair, which has just ended. This is the largest consumer goods exposition in the world.

Heinrich Friese stressed the necessity of Chilean producers taking part in this kind of international gathering, since it offers the best opportunity for entering new markets and enlarging the possibilities for exporting various products by enabling one to learn on the spot the priorities and needs of international importers.

12336

CSO: 3348/574

NAVY HEAD RECEIVES DESTROYER, DISCUSSES DEFENSE SPENDING

Santiago EL MERCURIO in Spanish 11 Sep 84 pp C-1, C-2

[Article by Sergio Mardones]

[Text] Admiral Jose Toribio Merino, commander in chief of the navy and member of the government junta, yesterday officially took possession of the British-made destroyer "Almirante Cochrane," the ship most recently incorporated into the national fleet.

This is the second ship to have arrived in Chile in the last 10 days. On 31 August, likewise in Valparaiso, the same Admiral Merino took possession of the submarine "Thomson."

"We need four more ships like the 'Cochrane' and a large vessel that could be transformed into a light aircraft carrier in order to arrive at the ideal fleet," Admiral Merino told the press; he did not say whether any kind of negotiation to meet this need had already been initiated.

The commander in chief of the navy, who held a short press conference on board the "Cochrane," also said, "I hope that this ship will never have to use its cannon in anger and that its only mission will be to maintain peace on the high seas, but if the occasion arises to defend our sovereignty by other means, I hope it will be daring enough to fight and lucky enough to win."

Relations Between Chilean and British Navies

A British reporter asked him about relations between the Chilean and British navies. "They are very good," he replied, "and always have been. I have invited Lord Fieldhouse to visit our country in December. I would like to remind you that Cochrane, an Englishman, was our first admiral, who carried out important operations with, and gave form to, the Chilean Navy, which in its time became the most powerful in the Pacific."

The same journalist asked him if the two navies had cooperated during the Falklands War.

"I do not know, I was not in the Falklands War," Merino answered. "We only took part in the War of the Pacific."

Asked about the cost of the operation, he only replied with a smile, "Cheap."

When still in British hands, the ship played an outstanding role in the Falklands War. It was the ship that commanded the landing in the South Georgia Islands and its stern was hit by a bomb that failed to explode. One of its helicopters shot the missile that disabled the Argentine submarine "Sante Fe."

"This is not the first vessel Chile has acquired that had taken part in combat," Merino noted. "Others have been the 'Latorre,' 'O'Higgins' and 'Prat.' It seems that ships with combat experience are fated to bring good luck to the national fleet."

Defense Budget

The commander in chief of the navy pointed out that the country's economic situation favored continuation of the program of acquiring second-hand vessels like the "Cochrane," which are reconditioned with the development of a national infrastructure. "If we built this same vessel ourselves, it would cost 400-500 million dollars," he said.

Nevertheless, he added that the navy is now building a third landing craft of the "Batral" class, "which will be fundamental for marine corps operations."

Finally, he indicated that the national defense budget for the organization in the last 10 years "has been the lowest we have had. Chile's average expenses for health and education has been between 45 and 53 percent of the budget, while defense has varied between 4 and 7 percent. The result has been that young people have entered the fields of education and technology, which today allows us to produce a part of our own armament.

We have the capability of producing tanks; there are firms that manufacture metals especially for arms; and we have invented new explosives. This is the greatest favor that the Humphrey-Kennedy Amendment has given us."

Arrival in Port

The ship tied up at Valparaiso's pier 6 at 1:30 pm and was greeted with martial sounds, whistles, sirens and cuecas [a popular dance], sung and danced by a folklore group. Some 3,000 people were waiting for it at the port--the majority of them, the families of crew members who were returning to the country after several months of training in Britain. Their white handkerchiefs, greeting placards and exclamations upon recognizing their loved ones made the scene a moving one, in keeping with the oldest naval traditions.

The crew watched the presentation of honors from the deck. From time to time, one of the sailors timidly broke formation and, having recognized close family members, waved his arms.

The "Cochrane" was received and escorted on the high seas by its twin, the "Prat," aboard which Admiral Merino was traveling, and by the frigate "Lynch." Four "Alouette III" helicopters and three "Bandeirante" aircraft

also took part in the ceremony, which was witnessed only by the crews of these ships and planes and a handful of journalists.

At 11:45, Admiral Merino transferred by helicopter to the new ship, commanded by Capt Adolfo Cruz Labarthe. Also traveling on board the ship was the British officer Tom Todd, charged with the final step in handing the ship over to Chile.

Characteristics of Vessel

The "Cochrane" first flew the national flag at Portsmouth, England, at a ceremony on 22 June at which the Chilean ambassador in that country, Francisco Orrego, presided.

Subsequently, on 10 August, it began its voyage to Chile, with port calls in the Azores, San Juan and Panama.

The ship is a missile destroyer of the "County" class. It was built in 1970. It has a crew of 33 officers and 435 men. Its overall length is 158.7 meters; its breadth, 16.5 meters; and its depth, 6.3 meters. Fully loaded, it has a displacement of 6,200 tons and can reach a speed of 30 knots (60 kilometers an hour). It is propelled by steam and gas turbines.

It carries Exocet surface-to-surface missiles in the bow; several Seaslug surface-to-air missiles on the port and starboard sides of the stern; and Seacat surface-to-air missiles in the stern.

It is the fourth ship in the navy to bear this name. The first, an armored vessel, was built in 1873 in England. The second was a 28,000-ton armor-plated ship, ordered from the New Castle shipyards in 1910. The third was the "Fletcher" class destroyer that the United States transferred to Chile in 1962.

12336

CSO: 3348/582

BRIEFS

LIBERAL PARTY JOINS AD--Claudio Cerda, secretary general of the Liberal Movement, met yesterday with Enrique Silva Cimma, president of the Democratic Alliance [AD], for the purpose of delivering to him the request of the directors of that movement to enter the aforementioned political group. This was disclosed by Cerda at a press conference, at which he quoted the text of the request referred to, which reads: "On 28 March of this year, the Liberal Movement held a meeting for the purpose of making a decision on the proposal made by numerous members of the Political Committee regarding the possibility of entering the AD. At said meeting it was agreed to seek officially the incorporation of our organization in the opposition bloc." Enrique Silva Cimma, president of AD, last night confirmed that the Executive Committee which he heads has agreed to accept the Liberal Party in the multiparty group. Thus, the Alliance last night increased the number of participating parties to six. [Text] [Santiago LA NACION in Spanish 1 Sep 84 p 6] 12336

SALARIES SHOW SLIGHT INCREASE--According to a report released yesterday by the National Institute of Statistics [INE], salaries increased in the 12 months preceding last June by 1.2 percent in real terms. Hector Kappes, head of this organization's Department of Labor Statistics, said that the salary index reflected increases in real terms of 7.6 percent in mining; 0.3 percent in electricity, gas and water; 2 percent in construction; 2.7 percent in transportation and communications; and 2.3 percent in community and social services. He noted that the following has suffered decreases in the salary index: manufacturing industries, -1.2 percent; trade, restaurants and hotels, -2.3 percent; and financial services and insurance, -3.6 percent. With regard to salary changes by occupational group, the INE official noted that in the case of administrators and managers, salaries increased by 5.3 percent; of professional and technical personnel, by 1.2 percent; of salesmen, by 2.5 percent; of specialized employees, by 4.6 percent; of specialized workers, by 3 percent; and of nonspecialized workers, by 1.6 percent. [Text] [Santiago LA NACION in Spanish 6 Sep 84 p 7] 12336

CSO: 3348/574

COSTA RICA

CARRO ON CORRUPTION, SECURITY, MONGE'S STYLE OF GOVERNING

San Jose LA NACION INTERNACIONAL in Spanish 9-15 Aug 84 pp 8-9

[Article by Victor Hugo Vargas]

[Text] The lack of a consistent security policy to strengthen Costa Rica's democratic system and to defend it against the threat of communism that the nine Sandinist commanders are promoting from Nicaragua, is one of the main concerns of this country's minister of government and police, Dr Alfonso Carro Zuniga.

"History has shown us many times that you cannot be a neighbor of a communist regime without sooner or later being adversely affected or attacked by it," Carro stated with respect to the possibility of Costa Rica coexisting with a Marxist Nicaragua.

The minister, who has had serious disagreements on security matters with his public security counterpart, Angel Edmundo Solano, was also alarmed about corruption in Costa Rica, which is more widespread than ever, and about the way in which President Luis Alberto Monge is governing the country.

His concerns recently led him to engage the chief executive in a lengthy conversation, during which he recommended a number of changes in the administration, including a cabinet overhaul.

To judge by what Carro said, Monge realizes that the situation has to change. We can gather nothing else from the following comment: "I cannot attest to what all of my colleagues in the cabinet think about these issues, because the fact is that I don't have the chance to talk with them, nor do I really know where they all stand, but I have heard the president say on several occasions that if the country slips from our hands, there might not be elections in Costa Rica in 1986."

Corruption

It was Carro himself who suggested highlighting the issue of corruption more than any other, "because it would do us no good to have a brilliant,

immorality-free government tomorrow in the midst of a corrupt society, in the midst of a swamp where we are up to our necks in immorality and corruption."

He explains: "I am convinced that corruption still does exist and that it is more widespread and virulent throughout the country today, not just in the public sector. It is a swamp in which the entire system is sinking."

Carro did not name names, but he recalled that he and the foreign minister, Dr Carlos Jose Gutierrez, met with the comptroller general of the republic, Rafael Angel Chinchilla, after he made some general statements to the press about the issue. Several ministers took offense and asked the comptroller to attend a session of the Council of Government to level specific charges.

That never happened, but Carro and Gutierrez did converse with Chinchilla and scheduled a subsequent meeting with Monge.

"Through the comptroller's office I know that he has detected some of these corrupt dealings," Carro asserted.

He hammered away at the issue. He said that the president of the republic promised ethics and morality in government. "I think that there are many things to be rectified in this regard. Moreover, I feel that in this field the president has to take a stand and make decisions, because we cannot come up with proof here. I agree that simple indications should be enough."

He added that he has always held this conviction, stating that "if an official is questioned by public opinion, I think that he ought to resolve his problem with the president by leaving his job, not by burdening the president with part of the problem. I think that in this regard firm stands and decisions have indeed been lacking."

The government minister acknowledged that such a commitment is difficult to fulfill because personal problems could always arise, "but before all else comes the health of the republic and the success of an administration. I feel that the stand must be very clear. At least my stand is. If I were under fire in public opinion, my first duty would definitely be to leave the government."

"He then emphasized: "At no time should the country or the government be sacrificed for individuals. I think that this has been a problem, not just now but always. National Liberation has been a party that has always liked to govern without almost ever making changes in the personnel with which it starts an administration, and I think that this is a mistake."

Security

Security is an area in which definite stands are urgently needed, in Carro's view. This is another issue that he discussed with the chief executive. The situation is serious.

"The country has to be told honestly that we have to prepare to defend ourselves, and I think that this is implicit in our proclamation of neutrality, but some people do not share this view," he said.

He does not beat around the bush on this issue. "My experience has been that many people interpret the proclamation however they please," he stressed.

He indicated that we will obviously not start a war, that as a nation we will keep out of the fighting in Central America, "but there is a key element in this entire policy that interested parties keep in the background by giving the neutrality principle a slant that it really doesn't have. I am talking about the notion that Costa Rica is not entitled to defend itself. My position here is radically different from the position of those who claim that neutrality implies that the country is not entitled to defend its political system."

He noted that Monge has never renounced self-defense, "because every threatened people has this elementary right, above all to defend itself against a real source of severe danger, as the regime in Nicaragua poses to Costa Rica. The communist government there poses the biggest threat to our stability in the present and the future. If that system succeeds in consolidating itself, it will represent the most serious menace to our country's democratic way of life."

Costa Rica is a weak country, and Alfonso Carro acknowledges this openly. "From the standpoint of how we are going to make sure that this country is not invaded, conquered or destabilized from within, we are in an extremely dangerous position. This is the most defenseless country in Central America and the Caribbean and the most threatened."

The minister criticized the efforts of those whom he called moles, who are undermining the system from within with the help of outsiders.

Defense preparations imply the acquisition of weapons "without seeking an arms race with Nicaragua, because we are not in a position to do that, nor does the president want it."

"But," he added, "the country is entitled to have us guarantee it a small but efficient defense system both against forces operating on our own soil and forces that might attack us from the outside."

He spoke even more categorically: "To proclaim otherwise and to say that the country should not make an effort in that regard is to deny every nation's fundamental right to defend itself."

Moreover, he deplored the lack of will to tackle the problem and complained that there is no consensus in the Security Council (the government's consulting forum, made up of several ministers) as to what ought to be done. "It is obvious that we attach different meanings to neutrality. There are disagreements (why deny them) between a number of ministers concerning the proclamation in the running of our ministries. It would be a barefaced lie to say that there are no disagreements as to the interpretation of the nature and scope of our neutrality."

He went on to say: "There is no consistent view (in the Security Council) in this regard. There is no unanimity as to what ought to be done, precisely because the country's security is apportioned among several bodies, and the heads of those organizations naturally have differing assessments or opinions and make different decisions."

Carro argues his point: "The lack of action in this area has created a atmosphere of insecurity in the country that is no good at all for the proper functioning of government, because a feeling of insecurity undeniably exists. I hope that the president is able to make some decisions in this regard in the next few days or clears the way for Vice President Armando Arauz to make them."

The Moles

Carro returned to the activities of the moles who are trying to destabilize the system from within.

"There is a full-fledged plan to probe when the government will react. It is a nationwide conspiracy," he asserted.

When he was asked to name names, he said: "If we didn't have certain indications and evidence that as a whole gave us a general idea of how Costa Rica is to be destabilized, then we would have to presume it. Because with neighbors that include a communist country and nations with internal strife as serious as El Salvador's, as well as a calm but quite disadvantageous situation in Guatemala, it would be naive and quite stupid to think that destabilizing forces are not going to clandestinely infiltrate our country."

He stated that we have to stop fooling ourselves that the Nicaraguan commanders are concerned only about their revolution and that coexistence is possible. "No. I don't believe in coexistence with the communist regime of the nine commanders nor with any other communist regime. History has shown us many times that you cannot be a neighbor of a communist regime without sooner or later being adversely affected or attacked by it."

He then attacked local leftwing groups and certain factions of the National Liberation Party.

He recalled that there was an attempt at destabilization in 1982. "Another has been going on over the past 2 or 3 months. It is mainly the work of the Left, especially now with the radicalization that has taken place in the Communist Party, since Humberto Vargas Carbonell and Arnaldo Ferreto split from the always orthodox but more Costa Rican leadership of the Mora Valverde brothers (Manuel and Eduardo). In the Southern Pacific strike, for example, it is obvious that the split within the Communist Party is having an impact and that Vargas's and Ferreto's radical groups are the ones that are provoking the most conflicts in the country."

He deplored that as a result of this several democratic leaders have misinterpreted the role that they are supposed to play and have thus tried to compete "with the other extreme leftwing groups to see who can offer the Costa Rican people the most options in dealing with their social problems. We even find that democratic factions, Social Democratic leaders, Liberation Party leaders (the party in power), are involved in some of these movements."

Monge's Style

Carro asserted that the government has some weak points and that the policy of consensus that Monge has pursued over these first 2 years of his administration requires major changes. "I'm going to be honest about this. I have spoken with colleagues in the cabinet with an eye towards holding a friendly talk with the president to offer him some recommendations. The only way to offset the erosion of political support that comes with the exercise of power is obviously through a revamping."

"I also think," he stressed, "that it is still essential for the president to set forth certain policies more specifically. It's a bit difficult at times to run the ministry because you don't really know what the president thinks, so you're a bit in the dark as to what the president would like you as a minister to do. I think that in this regard there has to be a change in the chief of state's position. He has the political talent to handle this situation, but he has perhaps allowed others to take care of it, and I am now very confident about this gathering."

"Carro clarified that "it is perfectly obvious that he (Monge) is always behind the big decisions, but he doesn't always make them. He lets vice presidents or ministers make them. I think that the president needs to make a series of decisions that more clearly set forth what his major goals are in the areas of security, the economy and social policy."

"The 22 remaining months are more important politically than the first 26 months, and I hope that some of the policies that in my view are not being pursued are beefed up. It would be a real waste if the we did not take advantage of these 22 months to govern properly

in accordance with the demands that the country is presenting to the president through business chambers, the mass media and the feeling that you get when more and more of your friends come up to you and seem uneasy about the country's fate," he added.

"If the government is not successful in discharging its functions and in carrying out its tasks, one of the big dangers will be that we might not have elections in 1986. We have to bear this very much in mind," Carro said.

If the government does not get the situation under control and does not lead, then other forces in society will immediately fill the vacuum, and that inexorably leads to anarchy and chaos, by definition.

Carro told Monge of this anxiety of his, which was a way of summarizing his concerns.

8743

CSO: 3248/767

FURTHER DETAILS ON SOLANO'S COUP REMARKS

San Jose LA NACION INTERNACIONAL in Spanish 16-22 Aug 84 p 9

[Text] Conversation With Four Newsmen

Just after noon on 8 August, at the foot of one of the ramps leading to the Presidential Palace, Public Security Minister Angel Edmundo Solano had the following conversation with Jose Joaquin Loria from LA PRENSA LIBRE, Miguel Barboza from NOTICIEROS COLUMBIA, Alvaro Campos from the Chinese agency ZIN HUA and Eduardo Amador from LA NACION of San Jose:

Amador: Mr Minister, why are law enforcement agencies concentrated here?

Solano: Because we have heard rumors of a coup d'etat. We are on maximum alert because of these accounts.

Campos: Who would be attempting the coup?

Solano: According to the rumors and some signs, groups from both the Far Right and the Far Left want to destabilize the country. In light of this, a general mobilization of law enforcement agencies was ordered, and they are on maximum alert in their barracks. The OPEN volunteers have also been mobilized.

Campos: But would rightwing or leftwing factions head up a de facto government?

Solano: The two possibilities exist.

Amador: Since when have they been on maximum alert?

Solano: For 3 days now.

Amador: Is Vice President Armando Arauz Aguilar aware of the matter?

Solano: I never know what the vice president is doing, nor does he know what I'm doing.

Barboza: Has the Security Council found out about this?

Solano: No gentlemen. The security minister is in charge of the country's security.

Barboza: But will it find out later?

Solano: No sir.

Loria: Have there been definite indications of the coup?

Solano: Evidence, indications have been presented, and they are under study.

Amador: What is the evidence?

Solano: I can't mention it, but whoever wants to try something, let him go ahead.

Barboza: Don't you think that this should be brought before the Security Council?

Solano: Do I think that the Security Council ought to be informed about this? What for? The council is a consulting, not an executive body. I don't have to ask the Security Council to recommend policies to me.

Another Version

Shortly thereafter, in the Presidential Palace itself, the security minister conversed with some of the same journalists and others who joined them. They again asked him: "Is this for real?"

Solano replied: "Well, I don't know, because today is April Fool's Day to me. I've made today April first."

His remark prompted laughter among the reporters, who then asked permission to tape his comments. He smiled and said nothing. At this point in the conversation TELENOTICIAS reporter Jose Angel Monge arrived and asked: "What truth is there to the rumor about a coup d'etat?"

The minister replied that there is talk in the country every so often of a coup d'etat. He added that sane people would wait until the next election to try and change the government if they do not like the current one. "Perhaps there is talk of a coup d'etat because of the major mobilization of law enforcement agencies going on at the moment. We are on maximum alert because we have 800 men in the southern zone and more than 1,000 in the northern border zone. We have very few people in the central zone, and I decided that this

was not a good situation because there are so many crazy people on the Far Left and Far Right that they pose a danger. That's why I called up the volunteers, who are very efficient. That's why you see more law enforcement people now than at night."

Jose Angel Monge asked him whether the government had received reports about a coup. The minister stated that he could not say whether the reports were specific, but he noted that there were indirect reports. "There are pressure groups that have given the president a deadline to reply to a demand. There are other groups that want to shut Congress down," he said.

Monge posed another question: This has to do with the Far Right. What about the Far Left?

Solano answered: "It's keeping busy in the southern zone." He then stated that there are tiny Far Right factions that might think about destabilizing the country, but the majority of people on the Right are satisfied with the way things are going in the country."

Misinterpretation and Jokes

Solano Claderon met twice that afternoon with the newsmen covering his ministry. As was to be expected, they brought up the topic of the alleged coup d'etat.

The minister stated on the first occasion that he had heard the rumors while he was at the Presidential Palace, adding that "only an insane person would think of staging a coup d'etat in Costa Rica. The Costa Rican people would never accept it."

The public security minister then left his office, and when he returned he was again approached by the same group of reporters.

This time he said that he would tell the truth about what had happened at noon at the Presidential Palace. He then explained that the newsmen who questioned him at the palace had misinterpreted statements that he made as a joke and that they taped his comments without prior permission.

8743

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SPRING CANE PLANTING UP SHARPLY AMIDST DOUBTS ON QUALITY

Havana GRANMA in Spanish 4 Jul 84 p 1

[Article by Juan Varela Perez]

[Excerpts] Spring cane planting reached its final day--30 June--with 90 percent fulfillment. During the last 3 workdays, the workers involved made an extraordinary effort to reach 12,840.8 caballerias planted.

The 6-month plan was 14,307.2 caballerias. They were far behind the whole time. It was even thought that the amounts achieved by the end of the campaign would not be reached.

Six provinces managed to meet their spring quotas: Pinar del Rio, Havana, Matanzas, Ciego de Avila, Holguin and Guantanamo, the first.

The people of Matanzas have the largest area planted with 1,700 caballerias. They are followed by Villa Clara (1,473), Holguin (1,406) and Ciego de Avila (1,392).

The provinces that ended the campaign with the lowest fulfillments were Granma (61 percent), Camaguey (64 percent), Sancti Spiritus (78 percent) and Cienfuegos (81 percent). Villa Clara, Santiago de Cuba and Las Tunas were very close with 95 percent or more.

During the planting, the cane agriculture technicians stressed the importance and need to insure quality through daily demand to: 1) plant 15 pieces per meter (or 150 in 10 meters); 2) immediate covering, winnowing and selection; 3) strictness in the seed plan of seed banks for next year; 4) plant in ridges in the areas that need it; and 5) replot the land that was declared ready but then hurt by rain.

There are concerns about this. Readers who follow the development of cane and sugar production, true experts in these matters, have called to ask us: Was quality maintained in the planting at the end?

They correctly note that always--as history has demonstrated--quantity conspires against quality. They ask a second question: In the midst of that rush of the last workdays (naturally not everywhere), were they able to follow

and maintain the technical norms that were stressed so often by the leaders and specialists of the sector?

We promise those who called us to follow the future development of the spring campaign and announce the provinces with the highest percentage of germination and those that lost the fewest caballerias. We will also announce the complexes that did the best and the worst work.

7717

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HUMOROUS LOOK AT TV'S TECHNICAL PROBLEMS

Havana BOHEMIA in Spanish No 28, 13 Jul 84 p 23

[Article by Ilse Bulit: "With the Devil in the T.V."]

[Text] Poor Rubin 205! After living at my side for more than 10 years, I put you in the trunk of a car, looking at you scornfully. At the shop I let them throw you on the ground with merciless speed. You cried inside. Your useful parts will not be used to repair your kind since apparently the plan is to exterminate them all for being old and worn out. I did not feel grief at such a lack of tenderness. I blamed you for so many mistakes. I thought you had arteriosclerosis.

After I left you to your fate, I ran to buy a new television. The administrator in person, live and in color, showed me all the secrets of the glittering Krym 218. Yes! Yes, I'll take it! I placed the sleek new Soviet boarder in the exact place where the exile who had seen my children grow had been. To carry out the terms of the warranty, for 3 days I turned it from the regular channel to another one. Then I began to understand that the abandoned set had not been guilty of many things that happened on its screen and with its audio.

Reality was different. Television Cubana occasionally suffers from Parkinson's disease or is on the verge of being possessed. Merlin the magician often dominates it. Sor Juana de los Angeles, escaped from a Sunday performance, possesses it.

At one crucial moment, the video got out of tune. While the picture was gone, the audio changed speed from 45 to 33 like a scratched record.

In musical shows, the sound goes up and down and up and down. It provokes a struggle between the viewer's eardrum and the decibels. It is fair to recognize that this helps the Cuban fight against sedentariness, going back and forth to the television dials.

The cameras acquire Saint Vitus' Dance. They focus on what they should not focus on, bounce around and zigzag. What can be said about the "mixups" of the unprepared emcee or person interviewed? Because of its news format, Tele Rebelde specializes in these points and in announcements of one musical

number and then playing something else because the "label" no longer corresponds to what is on the tape.

These violations of television sanity are also committed by the regular channel although Channel 6 specializes in the poor use of natural and artificial light. The devil Tum Tum suspends the laws of physics on outside shots; they are not taken into account. Shadows obscure faces and important gestures. In inside shots--after exorcism--the design of lights is not a design; it is all even. There are no shades. Light is not used in scenes artistically.

When the exterminating angel attacks films, they are not sized for the screen. Heads are cut off or signs are missing lines. There is that poor little pumpkin calling to the children with its pumpkin voice divided into two, scratched and unpleasant. There are speakers in silent comedy, talking without sound.

Since participation programs are in style, the viewer can help me by listing other mistakes I have omitted. I will not give prizes, of course.

The defect can be mechanical. The circuits fail or the transistorized systems at some peak moment "kick up a fuss."

The majority of the time, however, the hand of man--that extremity of the original primate that waved a stick and reached the peak of nature, the greatest result of albumin in this galaxy--is guilty, the only one guilty.

This is not because of meddling by Satan, a "drop" in biorhythms or parapsychology. Because of laziness, carelessness, ignorance or perhaps not being sensitive to the importance of the grain of sand of his job for the general good, man fails.

With this comment, perhaps the calls to the television repair units will decrease. Perhaps calls will increase to Complaints and Suggestions of the ICRT [Cuban Institute of Radio and Television] where they listen with exquisite kindness.

7717

CSO: 3248/742

PRESIDENT ANNOUNCES GAS PRICE INCREASE

Santo Domingo LISTIN DIARIO in Spanish 31 Aug 84 p 8

[30 August radio and television speech of President Salvador Jorge Blanco]

[Text] Last night, President Salvador Jorge Blanco announced an increase in the price of gasoline, diesel fuel and liquefied petroleum gas.

The chief of state also announced a number of measures aimed at helping peasants.

The president addressed the nation on radio and television last night. The complete text of that speech follows.

I have just held an expanded meeting of the Government Council involving the nation's highest civilian and military officials, as well as autonomous national institutions, representatives of the private sector and national life, and prominent figures from the Dominican Revolutionary Party (PRD), including the leader of that party, Dr Jose Francisco Pena Gomez.

At that meeting, I provided broad explanations and I now appear before the Dominican people for the purpose of presenting what I view as the final summary, along with results of the different contacts made in recent months after suspending negotiations with the International Monetary Fund.

At the close of this month of August, talks intensified with the International Monetary Fund. This intensification of talks came about either through Dominican representations in Washington D. C. or through telephone conversations that finally led to what I view is the agreement with the Fund.

Between 20 and 25 August of this year, the government presented a document to the International Monetary Fund entitled "Economic Program of the Government of National Concentration." That document was finally accepted by the IMF by means of a telex that came from that organization on 24 August of this year.

The document presented by the Government of National Concentration contains, among other things, not only the autonomous state institutions such as the State Sugar Council, the Dominican Electricity Corporation, the Corporation of

of State Enterprises and the Price Stabilization Institute. The document also contains the different prospective measures that would tend to rehabilitate the Dominican economy and get it back on its feet, especially the transfer of oil to a preferential market, by virtue of which the Dominican Refinery, which imports the crude, must turn over to the Central Bank 1.5 pesos for every dollar's worth of oil imported.

This means that in no way will the oil transferred to the preferential market end up on the parallel market. On the contrary, the dollars that the Central Bank supplies to the Dominican Refinery will be the Central Bank's own dollars. Consequently, there will not be any increase in demand on the parallel market and as a result, the currency should not lead to any increase in foreign exchange rates.

Likewise, in connection with these talks and agreements with the International Monetary Fund, it should be pointed out that the oil imported by the Dominican Electricity Corporation will be on a par with foreign exchange supplied by the Central Bank and that consequently, rates of the Corporation will not be changed in any way.

With this measure of placing oil on a preferential market, we enter the phase of the final adjustment in the various economic measures that the Government of National Concentration began to take on 16 August 1982.

We also wish to note that in this document of agreement with the International Monetary Board, we have indicated the need to maintain the discipline observed in autonomous state institutions and the Central Government itself, with controlled regular spending to ensure that the government's expenditures do not multiply or increase. At the same time, a steady effort has been made to obtain better financing at softer interest rates and longer terms so that the government might procure international resources in no way burdening the national economy.

Along this same line of ideas, there has been a concerted promotional effort to attract public and private investments so that the Dominican economy might grow stronger in the industrial field and thus enjoy more obvious achievements and accomplishments throughout the national territory.

I also wish to point out that placing oil on a preferential market in the manner I have just explained, accompanied by disciplinary measures such as those I am indicating truly means that our country has begun to understand this entire matter from the very moment when talks with the International Monetary Fund were suspended.

It has understood that oil consumes practically 50 percent of our national budget and the people must then calculate what that oil, which we import for 1 Dominican pesos on a par with the dollar means. Its variation on the parallel market in fact implies that the Dominican budget of the National Government, the Central Government, is practically doubled because of petroleum imports!

I would point out that as part of the attitude of the International Monetary Fund, after the document was presented to the Fund, the latter replied with a telex from which we read the following paragraph. It is quite explicit regarding the agreement reached with the IMF. That part of the telex which arrived on Friday, 24 August of this year, reads as follows:

"It is my pleasure to inform you that the officials of the International Monetary Fund have reviewed the economic policy proposals which you sent on 23 August, containing the goals, policies and economic measures that authorities of the Dominican Republic will follow in the coming months. IMF officials support the view that the implementation of such measures will improve prospects of economic growth and balance and will help restore the confidence of financial backers and official and commercial creditors of the Dominican Republic."

This agreement reached with the International Monetary Fund, which is a very special agreement, given the specific circumstances of the Dominican Republic, and which is entitled "Bridge Accord" because it serves as an element of transition for the remainder of 1984, would confront us, at the very beginning of 1985 and for what is left of the Government of National Concentration in 1986, with the need to sign a contingency or contingent agreement that would entail not only more conditions, but the financing from the International Monetary Fund itself. However, this Bridge Accord eases, as the telex from which I have just read a paragraph shows, eases, creates, increases our international credit.

At the same time, it creates a basis for broadening all possibilities that we can continue to receive financing from government operations of the United States of America, France and Spain.

We therefore wish to point out and recall that the American Government has just approved a credit, financing of \$50 million for our country. That credit, which should reach the country very soon and in time, provides us with better economic conditions in general terms and will at the same time strengthen our balance of payments.

Likewise, the government continues to intensify efforts so that the agreements deriving from the San Jose Accord with Mexico and Venezuela, which have financing for 15 and 20 years at 6-percent interest annually, continue, especially in order to initiate projects in the energy field for which this San Jose Accord with Mexico and Venezuela was designed.

With this provision we are making to place the oil on a preferential market, I again emphasize that in no way should it be confused with the parallel market because in addition, the supply of dollars will come exclusively from the Reserve Bank, whether to the Dominican Refinery or the Dominican Electricity Corporation itself, when they export oil, in no way should it be thought that it will go to the parallel market. It will mean that at a time of increased oil imports, which burden the Dominican economy more and more, all Dominicans will be required, will have the responsibility for making every possible effort with respect to conserving on oil and its by-products and constantly seeking other sources of energy enabling the country to reduce oil imports that are so costly to the Dominican economy.

Among these sources, I would cite our forests, solar power, the Sanchez coal mines, as well as all the studies we are making of ethyl alcohol, another of the derivatives of our sugar industry that would enable the country to create its own energy resources so that we would increasingly have, and very soon, a less dependent economy in which the effect of oil would be felt less every day, to the benefit of all the Dominican people.

The prices resulting from the transfer of oil to that preferential market of 1.5 Dominican pesos for every \$1.00 paid by the Refinery to the Central Bank -- and I repeat that there would be no change in the parity of imports and consumption of the Dominican Electricity Corporation -- the prices at which the different oil derivatives will begin to be sold in the Dominican Republic are as follows: Gasoline will cost the public 2.95 pesos; diesel fuel, 2.25; liquefied petroleum gas for industrial use, 2 pesos a gallon; for transportation, 1.75 pesos; and for domestic use, 1.25 pesos. This is an increase of only 5 cents a gallon, meaning that a 100-pound cylinder will cost 28 pesos.

Diesel fuel will cost 2 Dominican pesos a gallon, except for that going to the Dominican Electricity Corporation, which will retain the current conditions, meaning on a parity of the Dominican peso with the American dollar.

As you have seen and heard, these prices mean much smaller increases than all the speculation and commentaries made in recent months indicated. I wish to point out that even with such increases, we are consuming gasoline, diesel fuel and other petroleum derivatives in the Dominican Republic under much more advantageous conditions than in other Latin American countries, even without great differences with countries that produce oil such as Mexico, Venezuela and even Ecuador.

I also wish to state that in most American countries, there is no difference between prices of gasoline and diesel fuel. In most other countries, diesel fuel is sold at the same or nearly the same price as gasoline. In our new prices, we have produced differences that we intend to make it possible to correct distortions in the Dominican economy.

For example, one of those distortions that we have corrected courageously and responsibly starting in June and July of this year was that concerning "avtur," the petroleum derivative used by commercial planes, because commercial airplanes from other countries came to the Dominican Republic empty in order to load up on avtur here, paying much lower prices than all other prices on all other neighboring markets, even paying in Dominican pesos!

However, we are taking the measure in order to correct that great distortion in affecting that petroleum derivative, which has meant that by 30 August of this year, since the Dominican Government halted that practice, we have taken in some 3 million pesos. If this average continues throughout the year, we will have over 30 million pesos for the Dominican Treasury.

We thus wish to point out that problems and distortions affecting oil are being corrected, choosing the item which, having passed the time of the "fat kine," had to be the first area of attention so that it would not have such a negative effect on the Dominican economy.

In addition, effective tomorrow, we shall make public the different measures having the following orientations:

In the future, the "ad valorem" will be 2 Dominican pesos for every \$1.00, and the exit duty of all those leaving the country will be increased by 10 pesos per person leaving. At the same time, we are issuing instructions to the Customs Directorate and to the Income Tax Directorate, but especially to Customs, in addition to the secretary of finance, to speed up all paperwork and procedures relating to goods going through customs in order to shorten the red tape. This is not to affect the discipline, zeal and honesty characterizing the director of customs, Danilo Noboa, under the efficient leadership and instructions of the dynamic secretary of finance, Hugo Guilliani Cury.

I would like to point out that as part of all these policies -- this clarification is worthwhile in this frank and direct talk with the people -- that the International Monetary Fund has observed the need for the country, the Dominican Government, not this government, but the government that will take over in 1986, should improve the tax base of our country. In that connection, we already spoke of this manner in the speech I delivered at the Monument to the Heroes of the Restoration in the city of Santiago de los Caballeros on 16 August. Different international organizations have also pointed up this need.

Last night in a great and magnificent talk with the Council of Businessmen headed by our esteemed friend Hugh Brache, Jose del Carmen Ariza delivered an outstanding report on what the businessmen thought the expansion of the tax base should be. We agree their views in the sense of improving discipline and efficiency, but above all, it is necessary to expand the sectors that in some way have been ignored by taxation, even though they have a sufficient cash flow to be active Dominican taxpayers.

Ariza concluded that they understood the need for direct taxes, which the Government of National Concentration has made part of the different tax measures applied from 16 August 1982 to the present, but that have unfortunately not received the full support of the National Congress. We hold the view that this need to broaden the country's tax base, which is understood and shared, must basically be aimed at direct taxes so that the poorest sectors of the population, without resources, will in no way be hit by indirect taxes that in the end affect the high cost of living.

Along with this report on the agreement with the International Monetary Fund and the measures affecting petroleum, I also wish to point out other measures that the government has been taking that will be made public tomorrow. We have provided for a 50-percent reduction in all taxes on farm machinery and implements so that the process of encouraging agriculture and Dominican farmers may continue, for the country's fate depends on them. We are also making a 50-percent reduction in agricultural chemicals, along with an area affecting the people's diet, imported milk for children and babies, so that the cost will be as low as possible for the Dominican people.

Along another line of ideas, it is increasingly necessary to help the Dominican farmer. We have made recommendations to the board of directors of the

Agricultural Bank of the Dominican Republic so that those owing money to the bank on 31 December of last year, up to 3,000 pesos for individuals and 5,000 for those in agricultural partnerships, will have their debts totally forgiven so that in the future, the Dominican farmer will not have to worry about these debts of between 3,000 and 5,000 pesos. This represents a considerable sum, but it is a burden assumed by the Dominican Government in recognition of the valient efforts of our farm population.

The board of directors of the Agricultural Bank has just accepted this generous measure, which is an act of justice on behalf of all our rural population.

Last night, I had the opportunity to participate in the official installation of the new board of directors of the Dominican Association of Radiobroadcasters (ADORA). Two speeches were given, one by my old friend Salomon Sanz and another by Father Miguel Angel Santana Carrasco, chaplain of the National Army. Both made reference to the importance of communications media in the sense that information must be truthful and objective. In a sense, they were repeating the meaning of the Papal Encyclical. On 11 and 12 October of this year, in another magnificent opportunity for all the Dominican people, they may pay their respects and express their love for Pope John Paul II, who, as he has said on many occasions, has referred to truth in the news in communications.

In speaking to the Dominican people now, I would like to repeat the concerns expressed last night, which I deem very justified, in the sense that the media, radio, the press and television, must be more moderate and cautious in providing the news they give to the Dominican people. They enjoy absolute, unrestricted freedom, which is a legacy that enriches our democracy and for which we are ever thankful, but news that is not truthful can turn into a cloud of dust that later encourages the most antisocial actions. We must all strengthen public order.

Public order is the backbone of democracy, especially a democracy as rich as ours, in which ideas and thoughts freely expressed enrich and eternally strengthen the free interplay of political thought.

Maintaining the public order is not only the responsibility of the National Police first and the Armed Forces second. Maintaining the public order also concerns the citizens themselves. I believe that there are two aspects to maintaining public order: the tranquillity of every home and also collective peace in the community, which serves as an image and at the same time projects the image of a republic as a nation attached to democratic order, one in which human feelings dwell in the hearts of those who rule, in those who bear arms, in bureaucrats, but also shared and enjoyed by all the people.

I used to say -- and I now repeat because the comparison has a national dimension -- that "arms are to defend, not offend." When I said this at the general headquarters of the National Police and when I spoke to all military men, I said it meaning that it is the defense of the individual himself and the collective community itself, but of sovereignty as well.

But viewed in that way: "Arms are not to offend, but to defend," the hand of the citizen is to help, not attack. On that proper understanding of what a citizen should be and what an armed member of the National Police or Armed Forces should be depends, not only a better understanding of responsibilities, but also of the entire significance of maintaining and sustaining public order.

Only when one comes to be president of the republic can one truly realize the magnitude, importance and significance of maintaining the public order because any threat, any kind of information proven over and over of not taking measures in time turns into a lack of peace at home, in the community and the nation itself.

I understand and repeat that before becoming president, as president and long after I cease to be president, I have always respected and will always respect the constitutional period of 48 hours during which any detention or arrest must result in detention with proper grounds at the expiration of the 48 hours or release.

However, the presidency has also taught me that there are other time periods equally important and having other dimensions, other repercussions, such as that period of 24 hours which implies the need to maintain the tranquillity of the entire Dominican family, an obligation affecting all citizens just as the government is required to respect the constitutional deadline of 48 hours. The Armed Forces and National Police, which I head as commander in chief, presume that responsibility with all it implies, in order to preserve the peace and tranquillity of the citizens on the occasion of making decisions which in other countries do not tolerate the reactions that many here have the luxury of enjoying, including phraseologies ostensibly offensive to sectors of national life!

As I approach the end of my address, I would not like to give way to improvisation. That is why I meditated at length on the three or four pages that are like conclusions which I shall permit myself to read, without failing to recall that I am issuing an order naming a commission made up of the secretary of health, the director of the Dominican Social Security Institute, the president of the Dominican Red Cross, Dr Milton Messina, a president of the Dominican Medical Association, and the president of the Dominican Olympic Committee, Dr Jose Joaquin Puella, so that within ten days they present to the Executive Branch a complete report of the basic medicines essential in the country, suggesting what fiscal measures are needed to pay for them, so that those most in need may have basic medications and drugs. The Government of National Concentration is obliged to offer its solution and all the help it can for the benefit of the health of the Dominican people.

My final words are then these. I shall read them, not wanting to leave them to chance.

Conclusions

I know that the people are very concerned about the increases in prices of basic products. I know that this is their main complaint today, because they

want to reduce their family spending. (In addition, the INESPRES [National Institute of Price Stabilization] program, in its entire range and with the subsidies the program implies, will be maintained throughout all of 1984, as will the effort made by a committee in order to report in the coming days on the problem of school books in public primary schools.)

However, we must have confidence and faith that the measures we are taking and that we shall take throughout this term of government are for the good of the people.

The government has very clear and coherent plans and objectives. The achievements of our economic policy we knew could not begin to be felt immediately, for the very nature of the disease this government inherited and that affects its economy requires medicines that only improve the health of our finances, mistreated for so long.

In the meantime, the people and the government suffer the painful but inevitable consequences. But if we ask a humble cacao producer from the fields of San Francisco de Macoris and a hardworking tobacco planter from the Northeast if he is better or worse off than he was two years ago, the answer will be that he is quite a bit better off. If we ask whether the farmer growing corn in Luperon or sorghum in San Juan de la Maguana or coconuts in Samana or peanuts on the border is happier than he was two years ago, the answer we know will also be positive. The same can be said of the Puerto Plata people with their tourism and the workers in our free zones of Santiago, La Romana and San Pedro de Macoris.

Throughout the entire difficult trajectory of the negotiations and even now as I tell the country of the bridgehead agreement that will enable us to move ahead in the search for solutions to our economic situation, I renew my opinion that the path chosen by the Government of National Concentration of continuing the negotiations with the Monetary Fund is the right one, as is our position on the manner and time when the adjustments are to be made, especially those announced this night.

I firmly believe that within a very short time, in studying such a difficult period in our republican life as the one inherited by the Government of National Concentration, our fellow citizens will be able to fully evaluate in its complete historic dimension the work of this new generation of those in government, who have responsibly carried out the hard task imposed on it by the times, scorning the easy positions producing only short-term benefits. They are not seeking ephemeral popularity. Perhaps we are thinking instead about history and the need to redeem the national economy, which is what the Dominican people need.

We must build the future of our nation, not survive at its expense.

We must assume responsibility for creating the bases so that new generations of Dominicans may live in a better world and not continue to undermine their weak structures until they collapse.

This is the most valuable heritage I could aspire to bequeath to my children, my humble contribution so that they might live and grow in a healthier, more prosperous, more human society. That is why I have struggled. To that I have devoted my efforts as a man and government official and in this way I hope to end my days.

To those who have accompanied me in this fight to preserve and protect the patrimony and democratic essence of this nation, assuming the necessary responsibility without expecting applause, I say "Keep going!" That is, in the final analysis, what distinguishes the politician from the statesman.

In appearing before you tonight, I reaffirm my faith in the Dominican individual, in his capacity for work, but also his historic capacity to accept the temporary sacrifices that situations place on his path to the future. Let us maintain our hope, not as an empty phrase or mere slogan, but as part of a realistic and objective vision of what we can achieve in our country through work.

Fellow Dominicans, there are many nations which, destroyed by passions, have managed to rise up again with strength which only determination and faith in their own destiny can create. There are also others which, without having been subjected to such difficult tests, seem to be accompanied by a cloud that obscures the clear and limpid horizon of their destiny.

If we, on the other hand, hold fast to a profound faith, a will of iron, but above all, a creative imagination, nothing will obstruct our vision and passion will never contain the seed of our own destruction.

Let us keep going, let us unite, let us act in this decisive hour with serenity, with hope and courageously facing reality. Let us be ready with firmness to build the future of the nation on a more solid economic reality in order to make our society more just and, at the same time, more independent.

Thank you and good night.

11,464

CSO: 3248/768

FAL COMMANDER DISCUSSES GUERRILLA, ARMY TACTICS

AU180702 Sofia RABOTNICHESKO DELO in Bulgarian 14 Sep 84 p 6

[Text] Partisan Commander Octavio, head of the General Staff of the Armed Forces of Liberation (military organization of the El Salvador Communist Party) reports to the RABOTNICHESKO DELO representative in Mexico on his deeply emotional meeting with the people in one of the liberated zones under the control of the "Farabundo Marti" Liberation Front. The legendary partisan commander is a former shoemaker, who has been fighting for 14 years as an underground figure of the El Salvador Communist Party.

He stated the following:

We were in the central partisan group called "Modesto Ramirez", in which we accomplished a number of successful combat operations. During combat we were separated and lost contact with our supply bases. Therefore we decided to reach the liberated areas of Chalatenango.

We fought our way along and moved mainly through the swamps, which caused the sickness of numerous partisans. About 75 percent of the fighting men from the "Rafael Aquinada Carranza" detachment fell ill from malaria. The detachment was under my command. We were extremely exhausted, since we did not receive regular food supplies. Our boots were torn and our clothes were reduced to rags. When we arrived in Chalatenango, the people's government greeted us with joy. We were suddenly in another world, a new world, where the people exercised the power. At the festivities organized in our honor the people welcomed us with cordial words: "Welcome, comrades!" "Everything here belongs to you, because you have conquered and defended the combat line!" The situation in the liberated zones, where a people's government has been established, was something unknown to us; we had believed that only the battlefield and combat with the enemy could be the center of our life. This happened in December 1983, and we were facing important combat operations such as the seizure of the barracks of the fourth ground forces brigade belonging to the enemy, as well as the blowing up of a bridge--the Cuscatlan bridge on the Panamerican highway--and other operations.

Now the enemy was applying new antiguerrilla tactics along the combat front, in conformity with the line drawn by the North American military advisers.

The army of El Salvador adopted a new internal structure for the purpose of adapting to the organization and actions of the partisan movement. Three main branches of military units were established--militia, territorial troops consisting of six brigades, and elite troops, specially trained in the United States and Honduras for the antiguerrilla struggle. At the same time, the puppet army was rearmed with new weapons achieving greater operational coordination, in actions against our stand of positions, Commander Octavio pointed out. The "Farabundo Marti" National Liberation Front, on the other hand, in recent months mainly used the enlarged combat units for concentrated attacks on the enemy. The puppet army adapted to these tactics, since it was easier for it to wage a standoff war against us. However, our insurgent forces mastered the tactics of guerrilla combat and of standoff combat as well, and the coming of these two tactical methods enabled us to inflict strategic blows against the enemy, such as the attack against the largest electric power station in El Salvador--the Cerron Grande. On this occasion, we caused considerable damage to the puppet army, which lost many lives (the figure was over 320 men in August) and we succeeded in seizing a great quantity of weapons including 120mm mortars.

In analyzing the new tactical methods of the revolutionary forces, Commander Octavio noted that the main task of the present moment was to prevent the puppet army from taking large guerrilla units by surprise or, in case of direct North American intervention, from finding concentrated partisan forces. Taking this fact into consideration, the "Farabundo Marti" National Liberation Front leadership is working on new military tactics, expressed in the decentralization of guerrilla forces, which as a result is likely to bring about the dissemination of revolutionary war to all parts of El Salvador.

Today the military-political training of our cadres, tempered in war, is much higher and, in adopting the tactics of decentralization of our troops, we at the same time are ready to concentrate them at a given opportunity in the most convenient places. In this respect Commander Octavio stressed: The achievement of a monolithic unity of the organizations participating in the "Farabundo Marti" National Liberation Front is likely to contribute to the achievement of our aforementioned goals. The general command of the front assumed entirely the military-political leadership of all combat units whose actions are being implemented on the basis of a common plan and on the basis of specific operational plans for each individual, partisan front.

Dealing with the participation of the United States in the conflict in El Salvador, Commander Octavio stressed that American imperialism is directly involved in the war in El Salvador. On the one hand, Washington is dictating the foreign and domestic policy of the El Salvador Government, on the other hand it grants enormous military and financial assistance to this regime, supplying it also with military experts who are actually conducting combat operations against the revolutionary forces. Recently, the United States has been using super-modern equipment to uncover the movements of the guerrilla forces and to guide the operations of the puppet army. Despite all this, the enemy suffered defeat, and it is now reported that additional weapons, military experts, and new military technical and financial assistance will be dispatched to El Salvador, which signifies that the war in this

country will continue and even be exacerbated. Commander Octavio pointed out the effort of the revolutionary forces for a dialogue and for seeking ways and means of political settlement of the conflict, with a view to avoiding further bloodshed in the country, despite the fact that the "Farabundo Marti" National Liberation Front is winning the war and has sufficient strength to pursue this war until the final victory over the enemy.

The outstanding partisan commander spoke with particular warmth about the people and about the organization of the people's government in the liberated zones of El Salvador, which make up approximately one third of the country's territory. Despite the air raids, despite the fact that death and terror are prevailing, the population of the liberated areas is building its state bodies, its production of food supplies for the people and for the partisan detachments. The population is engaged in health protection measures and in the distribution of the most necessary commodities, and provides for the accommodation of partisans, so that they may find shelter and rest in comfort. The population also assists the partisans in their reconnaissance activities. These are the areas where the prototype of a future people's government in El Salvador is being built up and tried out, Commander Octavio pointed out in the interview.

CSO: 2200/206

LEFTIST GROUPS SEEKING TO ALLY FOR NOVEMBER STATE ELECTION

Four Groups Issue Document

Mexico City ASI ES in Spanish No 114, 27 Jul 84 p 4-A

[Text] In view of the electoral campaign in the state of Mexico, which is to begin soon, four leftist organizations, including the Unified Socialist Party of Mexico (PSUM), have begun talks to form a united front in opposition to the bourgeois alternatives presented by the Institutional Revolutionary Party (PRI) and the National Action Party (PAN). Here is the text of the joint agreement signed by the Mexican state leaders of these leftist organizations:

For Broader Unity of the Left in the State of Mexico

1. On 4 July 1984 the undersigned organizations met in order to discuss and begin talks with a view to establishing political agreements to permit a concerted effort in the electoral campaign in the state of Mexico for the new session of the Legislature and city councils in the state.
2. At the present meeting we have agreed to orient these unifying efforts toward the adoption of a common electoral platform and the establishment of a political pact that will provide a basis for the formation of a legally registered electoral coalition, which will participate in these elections with joint candidates in the various municipalities and electoral districts of the state.
3. At the same time, we have agreed to call upon the various political organizations of the left in the state to join in this unifying effort, whose objective is to present a united front of the leftist organizations of the state of Mexico so that we may be in a better position to confront the party in power and halt the advance of reactionary forces such as the National Action Party.
4. In this regard, we have formed a committee with representatives of each organization to work on defining the agreements that will provide the basis for this electoral coalition, which will be permanent.

For the Mexican State Coordinating Committee of the Socialist Current, Rafael Hernandez Estrada. For the State Committee of the Revolutionary Workers

Party, Ignacio Dotor Vilano. For the State Committee of the Popular Revolutionary Movement, Romel Gonzalez Diaz. For the Executive Commission of the State Committee of the Unified Socialist Party of Mexico, Alejandro Encinas Rodriguez.

Second Combination Targets PAN

Mexico City EXCELSIOR in Spanish 30 Jul 84 p 4-A

[Text] Four months away from the elections for the 121 city councils and the local Congress of the state of Mexico, the parties of the left have already formed electoral alliances under the Federal Law on Political Organizations and Electoral Processes (LOPPE), the reform of which is being studied in preparation for congressional action. Their goal is to head off the National Action Party (PAN) in one of the most industrially developed and politically significant states.

The Socialist Labor Party (POS), which has not been invited into the alliance of the Unified Socialist Party of Mexico (PSUM), the Popular Socialist Party (PPS), the Socialist Workers Party (PST), the Communist Left Unity (UIC) and the Socialist Current (CS), will run its own candidate for mayor of Naucalpan (one of the municipalities with the highest budgets and the second most industrialized), Federal Deputy America Abaroa. Abaroa, the former leader of the deprived barrio residents, used to be a member of the PST, and there is no doubt about her deep-rooted popularity in the poorer neighborhoods. PAN will nominate its former national leader, Abel Vicencio Tovar, or his brother Astolfo Vicencio Tovar, for that post.

The members of PAN claim that they will win more than 60 percent of the 121 mayoral elections, taking into consideration that in that state the mistakes made by the current and previous mayors have alienated the population. PAN already claims a majority in the Federal Deputation (Armando Gordillo defeated Institutional Revolutionary Party economist Julio Zamora Batiz for the 17th Federal District), and much of its national leadership hails from this state, including its spokesman Gonzalo Altamirano Dimas, a former federal deputy who was born in Cuautitlan.

The PSUM has already formalized its alliance with the Revolutionary Workers Party to nominate joint candidates for mayor and for the 34 local majority deputations and one minority deputation. They already have a common electoral platform.

The PSUM has announced that it intends to form alliances not only with parties, but also with registered and unregistered political organizations in order to win as many votes as possible and play a more important role in this state's politics. This will be the first state where a leftist political alliance is formed, "because PAN's progress in winning votes, backed by business, is of great concern."

The Popular Socialist Party, in turn, indicated that nothing final has been decided on the alliances, but it is holding talks on the subject. It reported

that in any case it will run candidates in all the districts for local deputies and for the 121 mayoral contests.

The leftist electoral alliance includes the PSUM, PPS, PST, the Socialist Current and the UIC. Each party or political organization has named a commission to engage in talks so that they can agree on their programs for action and propose reforms to the Electoral Law of the State of Mexico in order to strengthen the electoral coalitions that will enable them to win more votes.

8926

CS0: 3248/762

PSUM, PRT TO COOPERATE ON 1985 ELECTION, ELECTORAL REFORM

Mexico City ASI ES in Spanish No 115, 3 Aug 84 p 9

[Apparent text of "PSUM-PRT Joint Statement," Mexico, D.F., 21 July]

[Text] The Unified Socialist Party of Mexico (PSUM) and the Revolutionary Workers Party (PRT) declare their decision to establish a political platform and to seek the appropriate means to act jointly in the federal electoral campaign of 1985. We share an interest in reaching an agreement among all the parties of the left, and we will strive toward that goal. We believe that agreements and joint participation will contribute to the electoral advance of the left and of each of its parties. The electoral unity of the left, moreover, will aid the development of the workers' movement and the movement of the masses in their struggle to assert their rights and win their political independence from the parties of big business and government.

We believe it is possible to establish a common electoral platform for the entire left that will reflect our areas of agreement and highlight the fundamental positions of the parties.

We intend to seek solutions so that the nomination of common candidates will represent a stronger presence by the left and the democratic forces. In this way it will be possible to win the elections in a significant number of districts with a relative majority, and of course, to prevent the polarization of the citizens' vote between the principal bourgeois parties, the Institutional Revolutionary Party (PRI) and the National Action Party (PAN).

In order to confirm our agreement on a broader and more detailed array of political positions, we take this opportunity to point out some areas where joint action is possible now and in the upcoming electoral campaign.

The Federal Law on Political Organizations and Electoral Processes (LFOPPE) is a guarantee of the anti-democratic electoral system. A great struggle is necessary to reform the LFOPPE so that the organization, control and certification of elections can be taken out of the government's hands and left up to the political parties; complete proportional representation must be established in the federal and state legislatures and in municipal governments. We reject the unconstitutional system of registration, because it violates the right of free association and the right to vote and be elected. In particular, the registration system hinders and even prevents the parties from

freely entering into alliances. In the attempt at leftist unity which we are launching today, it represents a hindrance to a full coalition that would lend the left greater influence. We need a drastic change in the law and the electoral system.

The struggle for political democracy is not limited to changes in the electoral system; it must be extended to other aspects of the democratic rights of the masses. The struggles against repressive methods of government, for trade union democracy, and for the democratization of the mass media, are fundamental.

We consider to be of primary importance the struggle to defeat the government's economic policy, which forces the workers to pay the social cost of the crisis and the rigors of economic adjustment. Defeating this policy implies, among other things, that in a platform of leftist unity more attention must be paid to raising the level of wages and income of the working classes, broadening public spending on productive state investment to combat unemployment, substantially increasing social spending (education, public health, housing, services, etc.), and undertaking fiscal reform to transfer the majority of the tax burden to the capitalists and the high-income sectors.

We advocate a moratorium on the payment of the foreign debt service and the formation of a front of debtor nations. These may be the most effective measures for putting an end to the plundering of our nations by international financial capital. The resources released by the moratorium should be used for economic projects to meet the essential needs of the population.

Contributing to the struggle for the workers' political independence from the bourgeois parties, big business and government is a constant, daily obligation; that struggle should be manifested primarily in actions to assert the rights of the masses.

The PSUM and the PRT jointly denounce the Simpson-Mazzoli bill, which is racist and repressive in content, and violates the human and labor rights of the Mexican workers who have immigrated to the United States. The PRT agrees with the terms of the declaration on the Simpson-Mazzoli bill issued on 17 July by five organizations: the PSUM, the Popular Socialist Party (PPS), the Socialist Workers Party (PST), the Communist Left Unity (UIC), and the Socialist Current (CS), and joins in the call to take major action and cooperate with the democratic forces of the United States in the common struggle to defeat this discriminatory legislation.

The PSUM and the PRT, participants in the anti-imperialist struggle of the people, will do whatever they can to show solidarity with the Sandinist and Cuban revolutions, the revolutionary struggle of the Salvadoran people and the popular forces of Guatemala. One key aspect is to reject U.S. intervention in Central America.

In expressing our willingness to form an alliance for the elections of July 1985, we note that it is necessary and appropriate to take steps to stimulate unity of action by our organizations and members in social movements and associations.

To begin this process of building an alliance for the federal elections of 1985, a PSUM-PRT Liaison Committee has been formed to develop the necessary elements for such an agreement. The Committee will be made up of: Sabino Hernandez Tellez and Marcos Leonel Posadas for the PSUM, and Ricardo Pascoe and Edgar Sanchez for the PRT.

Mexico, D.F., 21 July 1984.

Political Commission of the Central Committee of the Unified Socialist Party of Mexico

Political Committee of the Revolutionary Workers Party

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CSO: 3248/762

NUEVO LEON: FPTYL PREFERENCE FOR PSUM OVER PAN EXPLAINED

Mexico City ASI ES in Spanish No 115, 3 Aug 84 p 11

[Article by Hector Delgado]

[Text] The Land and Liberty Popular Front (FPTyL) is a political and social mass organization whose more than 50,000 members are primarily residents of Monterrey, Nuevo Leon. Its rank and file members, as they are organized, include bus drivers, small merchants, students, tenant farmers and housewives, wage-earners and non-wage-earners. ASI ES interviewed FPTyL leaders Alberto Anaya and Pedro Bernal at their headquarters in the Tierra y Libertad district.

The FPTyL was founded in the middle of 1971 by a group of "deprived, homeless Mexicans who had no permanent jobs. We took over a few vacant lots, on the side of the Topo Chico hill (where the prison of that name is located, and where two members of the Unified Socialist Party of Mexico [PSUM] are still unjustly imprisoned), and there we founded the Tierra y Libertad and Revolucion Proletaria districts, the latter in 1973," the two leaders told the PSUM weekly.

"For 3 years we were more or less trying to defend just the land and the possibility of building our houses. Then in 1976 we realized that it would be necessary to establish an organic structure on a solid foundation, since we already had other districts, such as Lucio Cabanas, Flores Magon and Genaro Vazquez.

"We continued to raise the consciousness of all our comrades, who are united by class interests. Since then three levels of participation have been apparent: the vanguards (most advanced activists); secondly, those who are finding their place in the struggle and are becoming more aware; and finally the comrades who are a little further behind. Originally we participated in the political organization OIR-LM [expansion unknown]."

When ASI ES asked them why they had allied with the PSUM and not with the National Action Party (PAN), which is becoming so popular in this area, they responded: "With regard to the alliance with the PSUM, it is part of a process of maturation, in which we have gained an understanding of our need to join together with other forces in order to face our common enemy. During the

FPTyL's most difficult moments, we found that the Unified Socialist Party of Mexico here in the state of Nuevo Leon was a good, loyal ally, and the alliance has been reaffirmed. We have found that we have many things in common—some differences as well—but we put the accent on the areas of agreement."

The leaders went on to say: "It is very clear to us that PAN is an ultra-right party, with interests totally opposed to those of the popular masses. It is linked to imperialism and to the most recalcitrant factions of the reactionary clergy; in contrast, the PSUM is a leftist force in which we find ourselves: the left."

They continued, stating that in the FPTyL all religious ideas are respected, and some priests and nuns of various orders have even joined its struggle.

Anaya and Bernal have been jailed several times. The most recent occasion was for 40 days this year, beginning 25 January. They were arrested as a result of a dispute engineered by Alfonso Martinez Dominguez, governor of Nuevo Leon. He bought a few low-level leaders; Dr Hector Camero, Abel Villarreal and others played right into his hands; armed stool pigeons and paramilitary groups were infiltrated. Some rank and file members were won over. And when they had formed the Land and Liberty Popular Movement (MPTyL) and thought that the real, genuine Front was weakened, they kidnapped Anaya and Bernal in a violent action that drew excessively on police and paramilitary forces. In the middle of the street they got Alberto Anaya and Pedro Bernal out of their vehicles, dragged them to other vehicles, and without any formal accusation or trial, jailed them at Topo Chico Prison.

"From then on, during the 40 days, we were able to see how the PSUM comrades fight, and we met Elias Orozco Salazar and Miguel Torres Enriquez, who showed solidarity with us even in there," they continued, recalling the battle won by the FPTyL and its allies. "The governor did not expect even the least response, but it was tremendous. The PSUM, the Socialist Current (CS), the Revolutionary Workers Party (PRT), the Popular Urban Movement National Coordinating Body (CONAMUP), and nearly all of the left mobilized to face Martinez Dominguez' monumental error and his injustice. The last mobilization, on 12 February 1984, attracted more than 10,000 demonstrators. They managed to get us out of jail and here we are, ready to fight."

One of Alfonso Martinez Dominguez' tactics was to "invent" the so-called Own Land Plan; in other words, if the FPTyL fought for collective ownership, then the governor would offer to individualize--and regularize--land ownership. That was how he bought people, using the "lumpen" to back him up. The FPTyL, on the other hand, countered with the tree strategy: that is, some branches may be lost, but the trunk stands firm.

They went on to point out some of the FPTyL's principal achievements: "Above all, the restructuring of the political organization of our rank and file. We found out who was who. A significant economic improvement and raising the standards of living of our people. The Red Sundays were consolidated. The construction of our schools and medical dispensaries. Now we FPTyL members

are showing another face; the children have learned to live within our struggle, and the authorities have learned to respect us.

"We have learned that we can abandon sectarianism and fight together with all the forces of the left. We are willing to work with the PSUM, PRT and CS in a great, broad front. Specifically, in the upcoming elections of 1985 we intend to win political positions that will enable us to rebuild. This opportunity must be seized to develop democratic forces in Nuevo Leon. There is a lot of optimism along the alliances."

They concluded by sending this greeting: "We reaffirm our greetings to all members of the PSUM and comrades of the left so that they will support all popular movements."

8926

CSO: 3248/762

DISPUTATIOUS SALVADORAN ILLEGALS SAID LIVING IN CAPITAL AREA

Mexico City EXCELSIOR in Spanish 2 Aug 84 pp 5-A, 16-A

[Article by J. Gerardo Reyes]

[Text] A large expanse of land in the Federal District on the Mexico State border, in which over 10,000 families are residing has become a no man's land. The authorities of that state claim jurisdiction over that area and are repressing inhabitants who wish to belong to the capital, are denying them necessary services but are collecting taxes from them. Men, women and children are continually beaten by police officers dressed in civilian clothing.

Divided by the Mexico-Puebla highway, at the tip of the Iztapalapa district, the town of San Miguel Teotongo, in which the Emiliano Zapata settlement is located, has been the scene of serious disputes which are threatening thousands of persons.

Ofelia Nunez Garcia, Rafael Estrada, Abelino Gonzalez and Maria Gonzalez, who live in the above-mentioned settlement, have reported that for several years they have been subjected to repression by Gabriel Alcantara, municipal president of Los Reyes-La Paz, Mexico State.

Beaten, insulted and threatened, the complainants called upon the Federal District Department to intervene promptly and to have the commission responsible for the establishment of territorial boundaries determine to whom this area belongs.

When interviewed, Victor Corona Arrieta, secretary of government of the municipality of Los Reyes-La Paz, said the disputed area belongs to that municipality.

Salvadorans' Area

He denied that there is any repression and that the residents were beaten by the state police; however, in the same breath, he noted that there is a large number of illegal Salvadorans in the area who are continually provoking the authorities.

As for the Iztapalapa district, it was learned that there are problems in the area and that necessary services are not being provided to the residents; however, the authorities explained that there was nothing they could do, so long as no determination had been made concerning to whom this area belongs.

The intervention of the Government Secretariat has been called for; however, up to now there has been no favorable response which might help to resolve the dispute.

The more than 100 complainants questioned on this subject said that by presidential decree in 1978, this settlement--Emiliano Zapata--belongs to the Federal District.

"We have received services and aid from these authorities; however, as regards the Mexico State authorities, the only thing they want us for is electoral purposes and taxes.

"For some time, the land assessment [predial] has been increased 200 percent. But they have dug ditches to keep the Federal District Department from sending us water by pipeline; they have denied us cleaning services; and the power lines have been cut."

According to the residents of the settlement, the situation now confronting the political parties and the authorities of the municipality and the Federal District requires prompt action to prevent major problems for the residents, as many children and women have been injured by the Mexico State police.

8143
CSO: 3248/761

BISHOP NOTES INTERNATIONAL CONFERENCE ON ILLEGAL IMMIGRANTS

Mexico City EXCELSIOR in Spanish 2 Aug 84 p 28-A

[Article by Enrique Diaz Clavel]

[Text] Acapulco, Guerrero, 1 Aug--Rafael Bello Ruiz, bishop of Acapulco, made a plea today "that peace not be the product of repression but that instead freedom should be sought through the fellowship of all Mexicans."

Monsignor Bello Ruiz was commenting on the presence of military reinforcements in a state which has been convulsed by violence. He judged those measures "to be beneficial means of providing security for the people of Guerrero," although he warned that such a situation "should not continue for very long."

On another matter, he announced that from 25 to 27 September 1984 top church officials in the border region of Mexico and the United States will meet to study the problem of illegal immigrants. The same subject will be discussed in Rome in October during an international meeting of Catholics. At this meeting, the Simpson-Mazzoli bill will be given special attention, he said.

As regards the situation of the people of Guerrero, the prelate said that the rainy season will be beneficial to agriculture and will produce a good harvest possible, thus making it unnecessary for the peasants to engage in the cultivation of marihuana and other drugs.

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CSO: 3248/761

BRIEFS

STATE OF MEXICO IMMIGRATION--Naucalpan, Mexico, 31 Jul--In spite of intensification of government programs to control unauthorized human settlements and the exodus of peasants, the State of Mexico is receiving an annual average of 600,000 immigrants, according to statements made yesterday by Gerardo Fernandex Casanova, director of the state's Land Regulation Commission. He went on to say that because of this situation thousands of hectares of crops have been destroyed and have become part of uninhabitable regions whose residents cannot expect to have the necessary public services, at least during the next 4 years. He asserted that at present an average of 2.5 million persons are residing in unauthorized settlements in the municipalities of Ecatepec, Atizapan, Texcoco, Cuautitlan, Los Reyes-La Paz, Cualco, Iztapaluca, Chimalhuacan, Tlalnepantla and Naucalpan, in which, he said, the state government is taking the steps necessary for their authorization. [By Luciano Tapia G.] [Mexico City EXCELSIOR in Spanish 1 Aug 84 p 16-D] 8143

CSO: 3248/761

COFFEE HARVEST OF 1984-1985 TO REACH 1.2 MILLION QUINTALS

Managua BARRICADA in Spanish 15 Aug 84 pp 1, 5

[Text] As the "little red beans" are already beginning to be cut, the first field estimate by the Coffee Directorate of MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform] indicated that the 1984-85 coffee crop will produce 1,242,100 quintals on more than 128,000 manzanas.

This year's harvest will be a little better than last year's. Last year it was affected by many climatic factors. The first analyses indicate that during peak cutting time, December, about 69,000 traditional cutters will be needed.

Of the total area that will be harvested, more than 25,400 manzanas belong to the APP [People's Ownership Sector] and more than 108,600 manzanas to the private sector (including the cooperatives).

Precutting tasks are being done now in some zones and in others they have begun to pick the first ripe beans. Next week the first meeting of the National Harvest Subcommittee which includes representatives of all the sectors involved in this productive activity will be held.

The ATC [Association of Agricultural Workers] is analyzing the problems of supply, transportation and manpower, directing its bases to redouble efforts to replace the personnel mobilized to the war fronts. The unions of the CST [Sandinist Central Organization of Workers] and JS 19 J [19 July Sandinist Youth] are also improving coordination to help supply cutters during peak times.

The first steps to guarantee the coffee harvest this year that will really start at the beginning of October are being taken now with the participation of the different sectors and government institutions involved in this productive activity. Some zones are already beginning to pick the first ripe beans.

Henry Matus, coffee director of MIDINRA, told BARRICADA yesterday that the area planted nationally totals about 134,200 manzanas. Of this, 128,100 manzanas are being harvested and the rest is being developed.

Matus indicated that 1,242,100 gross quintals are expected in this 1984-85 harvest in spite of the fact that the initial guideline figure (based on national historic parameters) was 1.4 million quintals.

The MIDINRA official indicated that the current harvest will be a little better than the previous one which was affected by many climatic factors and other factors like the mercenary aggression. Nevertheless, it is hoped to surpass the goals.

Matos added that greater efforts have been made this year to avoid errors, especially in the estimated figures. There is an attempt to be closer to reality and stricter in the planning and timing of the harvest based on climate and periods of flowering.

69,000 Cutters

It is estimated that 69,000 traditional workers will be needed for the peak cutting time--December--56,000 in November and 40,000 in February. Manpower problems are especially anticipated in the north: in Region I (Las Segovias) and Region VI (Matagalpa-Jinotega).

This harvest has been characterized by the rapid flowering of the plants. This prolongs the harvest period and creates manpower problems since it coincides with the harvesting of other crops.

There is concern to improve the transportation problems that affected the quality of the bean last year. Sometimes it was rotten by the time the processors received it.

Matus noted: "We are making efforts to learn how to regulate this situation and improve it in order to avoid losses of quality."

As to the roads, the MIDINRA official said that MICONS [Ministry of Construction] responded well last year, taking care of the priority zones. The experiment will be done again, even confronting the situation of aggression in some zones.

Next week the National Harvest Subcommittee which works with the National Coffee Commission will begin to function. All the productive sectors and government institutions involved with this activity are represented on it.

Meanwhile there are work teams in all the regions of the country that are already analyzing all the problems that could arise.

Contribution of Region VI

The production estimates by region are as follows: Region I, 170,000 quintals; Region II, 3,500 quintals; Region III, 80,000 quintals; Region IV, 163,000 quintals; Region V, 30,000 quintals; and Region VI, 800,000 quintals. Matagalpa and Jinotega represent 63 percent of the national production.

Edgardo Garcia and Julio Cesar Munoz, secretary general and coffee official of the ATC respectively, indicated that the organization is striving for MICOIN [Ministry of Domestic Trade] to guarantee the supply of basic foods to the production zones, especially Region I and Region IV in the months of September,

October and November. It is also necessary to make plans and avoid shortages in the peak time, December.

Garcia said: "We are coordinating with all the different state organisms that are involved with the mobilization of cutters and supplies for this activity. We also coordinate with the other labor and social organisms like UNE [National Union of Employees], JS [Socialist Youth] and CDS [Sandinist Defense Committee] so that they start organizing the mobilization of production brigades and battalions."

Munoz explained that the ATC has directed its bases to redouble labor efforts to replace the personnel who have been mobilized to the war fronts and to try to handle the harvest with the resources of each region as much as possible.

Lucio Jimenez, secretary general of the CST, revealed that they are talking to the ATC about the "most strategic measures" to help resolve the manpower shortage. He concluded: "Now we will decide on all the details. Initially we will try to mobilize 48,000 comrades which is the first request we have received."

7717

CSO: 3248/771

ZELAYA NORTE AGRARIAN REFORM STATISTICS

Managua BARRICADA in Spanish 22 Aug 84 p 6

[Text] Puerto Cabezas--The reality of Zelaya Norte, Special Zone I, is complex and difficult. The past left a legacy of incredible backwardness leading to disintegration in the rest of Nicaragua.

The Sandinist revolution has begun to treat these problems in the last 5 years. Naturally, they cannot be solved in such a short time. Just as solutions were being implemented, the war of aggression made this zone one of its main targets, making the life of the people worse.

Comrade Alvaro Reyes, delegate of MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], explained some features of the situation.

Zelaya Norte has 34,000 square kilometers, 26 percent of the national territory. However, it only has 99,000 inhabitants, barely 3 people per square kilometer. The average rainfall is 2,700 millimeters per year.

It has two types of soil: 1) the coastal plains zone, a strip of some 35 to 40 kilometers in width, with poor soil and a pine savannah; and 2) a zone of woods with deeper soil and the possibility of developing perennial crops (cocoa, rubber and African palm) and livestock.

What has MIDINRA done? In livestock, some 800 manzanas are being worked with nine different types of pasture. This is being reproduced in 4 Indian communities, 9 cooperatives and by 30 individual peasants.

In agriculture, a cocoa crop is being developed on 3,000 manzanas in Tasba Pri (Columbus, Sahsa and Sumubila) for 1,300 heads of family. An investment of 380 million cordobas in 10 years is planned here.

In rubber, an experimental project started 3 months ago with 25 hectares at two cooperatives in Siuna. The objective is to reach 7,000 hectares.

Comrade Reyes pointed out the successes in basic grains despite the fact that this is not a very favorable area for these crops. In 1983 rice production reached 87,500 quintals which represents the 8-month consumption of the population in the region. For 1984 they hope to reach 100 percent of the local consumption, 112,000 quintals.

About 16,000 quintals of beans were produced. This satisfies the local consumption for 6 months.

The forms of ownership of the land in Zelaya Norte are as follows: in the plains area and Tasba Pri, community property; and in the Siuna zone, small and medium producers combined with cooperatives.

What has been done so far in agrarian reform is significant: deeds delivered to cooperatives for 16,000 manzanas, in Tasba Pri for 22,000 manzanas and to individual producers for 43,000 manzanas.

7717

CSO: 3248/771

ARMY OFFICERS MEET IN SUPPORT OF HUAMAN, JULIA

Lima EQUIS X in Spanish 3 Sep 84 pp 12-13

[Text] All the officers of the Peruvian Army's Lima garrison met last Thursday at noon to show their full support for Gen Adrian Huaman Centeno and their commanding general, Gen Julian Julia Freyre. The meeting took place in the Military Club building on Salaverry Avenue and, according to eyewitnesses, ended with a comradely lunch.

It was not a meeting of an official or institutional character but, rather, a social event. This may be deduced from the fact that it took place not in the War Ministry auditorium, where official meetings are normally held, but at the Military Club. The choice of site was deliberate, according to our information, because if the meeting had taken place at the War Ministry, the opinions expressed might have been interpreted as a kind of challenge to the government, which, in accordance with the decision of President Belaunde, decided to relieve Gen Huaman of his position as head of the emergency zone.

Nevertheless, there was no expression of opinion that signified any kind of opposition to the civil authorities, since no one questioned Gen Huaman's being relieved. After all, as an officer told EQUIS X, "the change of individuals means nothing, because the replacement, Col Wilfredo Mori Oriza, thinks exactly like Gen Huaman Centeno, and both of them think like our high command and the whole army." The object of the meeting at the Military Club probably was to reaffirm the same line of thinking on the question of how to deal with subversion.

In fact, from the standpoint of the army officers, the change in command at Ayacucho affects not so much a man as the institution, since all of Gen Huaman's acts, including his statements (despite his having taken care to underline their personal character), fell strictly within the directions and orders of the army and joint command chiefs.

As cavalry commander said to us, "It is inconceivable to anyone who knows the 'mestizo' Huaman, one of the general officers conforming most strictly to the regulations and discipline, that he would do anything without the authorization of his superiors."

It is said that, at the Military Club meeting, speeches were made expressing total support for, and subordination to, the army's commanding general, Gen Julian Julia Freyre, but so far the exact content of these speeches remains unknown.

Later, a colonel commented that Gen Adrian Huaman Centeno had foreseen for some time that the government would move against him, given his constant clashes with the government bureaucracy and his public statements, in which he denounced the century-long neglect of the highland peasants.

He foresaw this to such an extent that he had given precise instructions to his chief of staff, Col Wilfredo Mori, now the new head of the emergency zone, to continue the same policy that he had initiated. "It should not be forgotten," we were told, "that Col Mori was the man in whom Gen Huaman had the greatest confidence and the general's right hand; Huaman chose him from among many other officers to be his chief of staff, so that they complemented each other fully and truly identified with each other."

At the end of the Military Club meeting, it was revealed that, on Tuesday the 28th, one day after being summoned to joint command headquarters, Gen Huaman had a lengthy conversation with Gen Julian Julia Freyre in the latter's office at army headquarters, at which the commanding general is believed to have renewed his expression of confidence in Huaman and thanked him for his work in Ayacucho.

Regarding Gen Adrian Huaman Centeno's new assignment, certain well informed sources maintain that he will probably be attached to the staff of the joint command, which is where the plans to combat subversion are drawn up. Thus, Gen Huaman's thinking, concept of justice and experience will serve to refine the policies pursued by the joint command in its task of facing up to subversion.

The officers who are unhappy about the present situation, which serves the Shining Path guerrilla movement as a breeding ground, are numerous. One of them told us, "This cannot go on much longer."

12336

CSO: 3348/581

ARISMENDI INTERVIEWED ON POLITICAL SITUATION, U.S. ROLE

Moscow LITERATURNAYA GAZETA in Russian No 26, 27 Jun 84 p 14

[Interview with Rodney Arismendi, first secretary of Uruguay Communist Party Central Committee, by LITERATURNAYA GAZETA's Igor Belyayev, chief of foreign policy section, and Sergey Merinov, special correspondent. The interview took place in the foreign department of the paper, date not specified]

[Text] [Question] How do you evaluate the current political situation in Uruguay in connection with the forthcoming elections in November?

[Answer] It seems to me that a question pertaining only to possible election results in our country is somewhat limited. I would first like to focus attention on the main issues, which will allow one to understand the present situation in its entire context. The rise to power of dictatorships in Uruguay, Chile, Bolivia, and later in Argentina, resulted from the counterattack of American imperialism, whose objective was to delay the spread of the democratic revolutionary process in the region. I have in mind not only the Cuban revolution, a historically significant event, but also the victory of democratic forces in Chile, which can be characterized as an example of one path to a peaceful transition to socialism, and also the nationalist movement in Peru, the anti-imperialist Torres military government in Bolivia, the development of a broad democratic front in Uruguay with the participation of practically all socioeconomic strata of the population supported by the working class and the intelligentsia.

For Uruguay these ten years were years of difficult struggle, with tens of thousands of political prisoners subjected to torture, killed and missing persons. Nearly 500,000 Uruguayans are in exile in a country whose population is less than three million people. However, the dictatorship was not able to put an end to the democratic forces. It was not able to suppress the movement of the working class. It was not able to destroy the Communist Party. All these years the party was actively engaged in an underground struggle at a cost of great sacrifices; nevertheless, communists were able to preserve their organizational structure.

In 1980 the dictatorship organized a referendum in order to obtain a "mandate" to govern, Pinochet-style, or in the style of the Turkish dictatorship. However,

the people said, "No," and voted against it. One year later the government was forced to legalize a number of bourgeois-democratic parties.

A law was passed legalizing the organization of trade unions under police control. Using this law, the trade union movement then began to expand on a large scale, which led to mass demonstrations and even to a nation-wide strike.

The past year [1983] was characterized by active political protests of the masses. Under great pressure, the government was forced to call for elections in November 1984. Of course, the government was planning the next deceptive maneuver, but the broad national struggle forced it make this year the real election year.

The dictatorship is doomed. The objective and subjective prerequisites for its downfall have been established. If the elections demanded by the people will take place in November, they are vivid testimony to the victory of the broadest democratic forces. Politically, it will signify the failure of the dictatorship. A civilian democratic government may rise to power in March next year, in which event the movement of the left, including the Communist Party, will be completely legalized.

[Question] Is the political situation in Uruguay influenced by events in neighboring countries--the democratization process in Argentina and the growing opposition to the Pinochet regime in Chile?

[Answer] Of course, the developing situation in Uruguay must be considered in the context of the general situation in South America. Various processes are taking place in each country and the alignment of forces is also different. However, all these processes, of course, influence each other. The freedom won today in every country adds to the strength of people in other countries.

In regard to Chile, it has a great deal in common with Uruguay. Both countries have strong democratic traditions, strong communist parties, a broad and active democratic front.

The present heroic struggle of the Chilean people, of course, has an effect on the same struggle in Uruguay, and vice versa. The victory of democracy in Argentina was hailed by demonstrations in the streets of Montevideo. This is understandable since the struggle for democracy is a common problem of Latin American countries. Each country follows its own path; however, they have a great deal in common and many common problems.

In particular, I would like to single out one of their main common problems--the policy of North American imperialism in its relations with Latin America. The United States is the greatest political and economic enemy of our countries. The struggle against United States imperialism unites us all, all Latin American countries, as well as countries in the Caribbean. This is the reason why we talk about events which influence the situation in Uruguay and why we talk about the tremendous influence and the tremendous importance of the Cuban revolution, which was a genuine historical turning-point--socialism appeared for the first

time in Latin America. The victory of the Cuban revolution demonstrated that the policy of oppression of Latin American countries on the part of the United States is beginning to crumble. The revolution in Nicaragua constitutes a new progressive movement in a new stage of this struggle.

[Question] What is Washington's reaction to the growing trends toward democratization in Latin American countries, economic independence from and abolition of political subservience to United States imperialism? Are there any signs of changes in Washington's policy?

[Answer] The United States always had and still has the same policy in its relations with Latin American countries. The aim of this policy is to convert the entire hemisphere to a base for future domination of the world by the United States. The United States is the principal investor of capital in the continent. The United States established superstructures and political structures which enable it to dominate our countries.

However, this policy is currently in a critical stage. The crisis manifests itself in the growth of the revolutionary movement and the growth of democratic political movements throughout the continent. The latter was taken into account in Washington and the Reagan administration worked out a new plan to secure American dominance. The objective of this plan is to blockade, and, if possible, destroy the Nicaraguan revolution, conquer Central America, and put an end to the process of democratization in Latin American countries.

This already dangerous United States policy is further exacerbated by the fact that power is in the hands of an administration which is extremely aggressive, an administration posing the threat of direct intervention in Central America, which is engaged in an undeclared war against Nicaragua. Reagan's policy is the policy of the most reactionary, most antidemocratic, most aggressive circles of state-monopoly capitalism supported by the United States military-industrial complex, the Pentagon, and the C.I.A.

[Question] In the opinion of many observers, the governments of Latin American countries with a social-democratic ideology are confronted to one extent or another with the alternative either to appeal to the masses to support their decisive steps against subservience to United States imperialism, or engage in dialogue with Washington and make substantial concessions. Is this true?

[Answer] I think the situation calls for a more flexible approach. Whom do the ruling party in Argentina, the major democratic parties in Uruguay, the Democratic Action party in Venezuela, the ruling party in Mexico, and so on represent? We characterize them as bourgeois national-reformist parties. This bourgeoisie is not the servant of imperialism, since its interests do not coincide with the interests of United States monopoly capitalism. It strives to bring about certain social reforms within the bourgeois-democratic system. Representatives of this bourgeoisie are neither consistent anti-imperialists nor revolutionaries. However, they can be our full-fledged allies in the struggle against dictatorships, and we can find a common language with them with respect to the most aggressive manifestations of United States policy--its interventionism. The

establishment of the Contadora group, which essentially publicly opposes United States aggression in Central America, cannot be explained in any other way.

We also find a common language with regard to Reagan's harsh economic policy, which is stifling our countries, so the path chosen by President Alfonsin in Argentina or by the government of Venezuela, or by other governments will depend not only on them, but also on the ability of democratic movements in these countries to organize a united front with the broadest participation of all socioeconomic strata, a front which will oppose resolutely imperialism.

These governments are in a very difficult position. They inherited a deep crisis and huge foreign debts. The intensity of the class struggle is increasing and the pressure applied by imperialism is growing.

Therefore, instead of the question which is currently in vogue, namely, what will Alfonsin do, we should ask the question, what should we, communists, the democratic movement, the left, and workers do? We cannot do everything, that is, we cannot change the class structure of these governments. However, we can and we must exert a decisive influence on the way the situation develops. Of course, this is a complex task, but what is simple in world politics today?

[Question] Another question about Central America. Currently attention is being focused on Reagan's aggressive course in this region, especially in connection with the escalation of imperialist aggression against Nicaragua. Washington calls it a cancerous tumor which must be removed and again they talk about the "domino" theory, the alleged threat posed by Nicaragua to its neighbors and to the United States. What are the real dangers and the real objectives of the United States in Central America?

[Answer] The United States will try, if it is able, to suppress the Nicaraguan revolution, the liberation movement in Salvador and Guatemala. I think the United States also seek an opportunity to organize aggressive actions against Cuba.

Of course, everything will depend on the balance of forces. The time when the United States could do what it pleased is past. Cuba has survived more than a quarter of a century owing to the staunchness of Fidel and the people, owing to solidarity, above all, of the Soviet Union, socialist countries, and Latin American nations. We are living in a new world which does not resemble at all the "Pax Americana" which the White House would like to see. Revolutions are the victors in this world--in Afghanistan, Mozambique, Angola, Vietnam, Cambodia, Nicaragua, and in other countries. This also applies to Grenada, although there the revolutionary process was tragically aborted.

Currently, Nicaragua and all of Central America are in extreme danger. The United States is already engaged in an undeclared war against Nicaragua; it is mining harbors, establishing bases in Honduras, and in Costa Rica. The United States fleet is cruising close to the Nicaraguan coast and in the Atlantic and Pacific oceans. It is conducting a virulent campaign against the Sandinistas.

Naturally, the Nicaraguan people are on the lookout. Nicaragua is not tiny Grenada. Neither is Salvador. In addition, there is no doubt that the solidarity of Latin American nations and worldwide solidarity will grow and become stronger. However, one must be fully cognizant of the existing danger. The solidarity movement must be very broad, a genuine mass movement, to tie the hands and feet of imperialism, to deny it freedom of action. This is more necessary now than ever since Reagan has abandoned all restraint. Take, for example, his speech delivered on 9 May. Essentially, it is an aggressive mendacious speech.

He explains all the deep changes and the growth of the liberation movement on the continent by "Cuban and Russian subversion," while the United States is organizing invasions under the pretext of saving democracy in Central America and its own security interests. The explanation that is offered is that Central America is very close to Houston and poses a great threat.

Thus, the danger cannot be underestimated.

[Question] Some specialists and journalists in the West, including the United States, are trying to make predictions about a possible direct United States intervention in Nicaragua. They say that an intervention is possible now. Others say that an intervention is possible, however, only after the elections: should he lose, Reagan will take a tougher line and abandon the final order to invade; should he win, he will rise on the wave of chauvinism and order the invasion of Nicaragua or Salvador.

[Answer] In principle, all three scenarios are possible. However, we should not think of it as some sort of lottery, whether we guess right or wrong. Central America is not for sale to Washington. Everything depends on the speed and strength of the response to aggressive actions.

I would like to emphasize once more what I mentioned already, namely, we must think above all about our own actions, about what we can and must do, all of us who oppose aggression. Reagan would like to play the part of the soloist in the orchestration of this military action. But he will not be allowed to play this solo role.

12583
CSO: 1807/264

CTV PRESIDENT VIEWS POSSIBILITY OF NEW COMPENSATORY MEASURES

Caracas EL NACIONAL in Spanish 31 Aug 84 p D-19

[Text] Juan Jose Delpino is of the opinion that the statements which appeared yesterday regarding wage compensations, made by a sector of the private economy, are untimely.

The president of CTV [Confederation of Venezuelan Workers] argued, in his response, that even though these proposals will not succeed, other real options for compensation are being studied that might be initiated by means of some reforms to the Labor Law.

Although he did not provide details on this, he noted that the head of that labor confederation, Jesus Urbieta, is already analyzing and studying the projections for it.

Delpino's mood appeared to be good, because there are already a large number of business firms which have started to comply with the labor measures that have been established, such as the transportation bonus, the school dining halls and the 10 percent increase in personnel rosters.

"The fulfillment by some companies is evident, particularly in the small and medium-sized firms. Those associated with soft drinks or beverages for consumptions are already establishing these compensations. There are even some which have increased their personnel by over 10 percent."

After pausing awhile, he then declared that more measures such as those must be sought. The reform of the Labor Law would be one of those methods, because with it there would be a positive effect on the increase in income for the workers.

Nevertheless, he again brought up the problem that is present, "causing them to turn their heads," namely, unemployment. He said that all the measures have been concentrated on the active workers and laborers, while the unemployed person is not benefiting from them; and this is why the means must be sought to create more jobs, as quickly as possible.

In response to a question from the reporter, he said that in about 2 or 3 months more reliable results might be known concerning the measures that have been enacted.

On a different topic, he commented on the meeting of the American countries' unions, jointly with the Monetary Fund, the United States Treasury, the international banks and the International Association for Development; which might create specific conditions that would be taken into consideration for the process of refinancing the foreign debt.

He then commented again on the status of Venezuelan workers, stating that monitoring committees must be created to oversee and inspect everything associated with the implementation of the wage compensations for which there must be compliance by private business firms, by decree.

2909

CSO: 3348/572

BCV REPORT REVEALS EXTENT OF ECONOMIC DETERIORATION IN 1983

Caracas ZETA in Spanish 5 Sep 84 pp 22-24

[Text] The Central Bank of Venezuela's [BCV] Report for the Year 1983 has just been published, bearing the written signature of its president, Leopoldo Diaz Bruzual. Summarized therein is the final year of government of LHC [Luis Herrera Campins] and COPEI [Social Christian Party]: chaotic figures on a collapsing economy, with the highest rates of inflation, unemployment, stagnation, lack of confidence and retrogression ever to exist in the republic. And all of it bearing the written signature of "El Bufalo," Leopoldo Diaz Bruzual.

The impoverishment of Venezuela during 1983 was the worst suffered by our country in recent decades. No correction was made in the fundamental problems of the economy. The politicians, economists, businessmen and officials who had the chance to correct the course failed to do so; some as a result of action, and others through omission, turning 1983 into a chaotic year, the predecessor of the ills that we are confronting now.

Those "disastrous figures" come from the hand-written statistics of Dr Leopoldo Diaz Bruzual, contained in the Central Bank's report on the Venezuelan economy in 1983: an extremely high rate of unemployment, increased prices, inflation, adulterated costs, depleted stocks, cold dwellings, a drop in the oil income, loss of national participation, flight of capital, trafficking in foreign exchange, bankruptcies, overestimated income and unrealistic budgets; a complete chaos, with the people's suffering, in the language of the statistics.

By reading the 1983 Economic Report of Diaz Bruzual's Central Bank, we understand many things that are happening now and that should be better explained by the present government. It is a report which describes how our country's economy was buried, how its future was jeopardized and how its stability was damaged. It is a report, with the signatures of "El Bufalo," Maritza Izaguirre, Oswaldo Padron Amare and a few others which provides horrifying information on the origins of the situation that we are facing at present.

The report discloses that the price hikes ordered by LHC's government during the last half of 1983 were three times larger than those of the first quarter of this year.

It reveals that the country has survived (almost miraculously) because stocks were overly abundant, because oil more or less supported itself and because the people withstood with spontaneous heroism.

1983 was the year of the crisis, regardless of how much they tried to conceal it then or are now attempting to blame it on the present government. It was the year when the gross domestic product declined up to 4.8 percent, a terrifying figure for any economist, head of state or central bank president. They did not halt it. On the contrary, they facilitated the disaster, the flight of capital and the chaos. They allowed anyone who was lagging to advance and, for strictly political scheming reasons, left that accursed legacy of well identified paternity.

Last year (as Diaz Bruzual states in the aforementioned report), Venezuela's oil income declined by 6.691 billion bolivares, equivalent to 9.5 percent less than the year before. The income from hydrocarbon sales dropped, but the production cost increased. Associated with that was a salary increase that the board members of the oil company gave themselves. The rise in the oil production cost was 11.3 percent. The state's participation in the leading industry declined 18.4 percent and the profits showed a decline of about 14 percent. The gross value of our oil production dropped 14.2 percent, and was partially offset only because LHC's government raised the price of gasoline and hydrocarbons for domestic consumption.

During 1983, the unemployment rate rose: 13 percent of the Venezuelan labor force was jobless. 1983 was the year when Diaz Bruzual claimed that the National Discount Bank was strong, and would never have problems; the year when he stated that it was "a good thing for the foreign exchange to be taken away" (those dollars which we now lack and which the very ones who took them away are greedily requesting of RECADI [Exchange Rate Differential System]); a year when the exchange measures were not adopted, fostering the current situation in that area.

The gross domestic product (GDP) declined by 4.8 percent, a figure which of itself alone reveals the chaos. The oil industry declined 4.1 percent; while the non-oil industry dropped 3.4 percent. Real production levels declined by 4.1 percent, most particularly in the branches of construction and services, causing a series of weaknesses that were reflected in overall impoverishment. The marketing of goods dropped 1.5 percent.

During LHC's and Diaz Bruzual's year 1983, there was a restriction on external financing, as one of the results of curbing the cost of construction and services linked with exports. The port revenue dropped sharply, with its aftermath of unpaid workers, unemployed and the chain of negative reaction from this.

According to the report itself, there was a reduction in domestic demand. All this is explained by the decline in income coming from abroad, the lack of state investment and the absence of private enterprise, caused by an entire gamut of uncertainties, particularly with regard to the foreign debt, as well as the constant price fluctuations.

There was a chain reaction in the economy. The net investment stood at 18.617 billion bolivares less than during the previous year, and this was combined with an accumulation of idle liquid funds in the commercial banks which, in December, reached the sum of 7.995 billion bolivares in "frozen" excess reserves in the Central Bank; which, in January of this year, amounted to an accumulation of 8.807 billion bolivares, owing to the apprehensions about the change in government and the uncertainty left behind by the Diaz Bruzual inconstancy.

While the year elapsed and after "black Friday," the flight of capital continued. Exchange and the control of exchange were no obstacle to the egress of dollars abroad.

Savings exceeded investment. They were accumulating, with a sign that is always disturbing to economists. At the end of December, the BCV reported savings accounts for that month alone amounting to 25.520 billion bolivares, and time deposits for that month alone totaling 33.805 billion bolivares; whereas the combined loans of the mortgage and commercial banks were 121 billion bolivares, and the savings entities were retaining 19 billion bolivares. The financial institutions continued their "via crucis" of not receiving funds and not obtaining deposits, and hence not being able to play the role which warranted their multiple (and excessive) creation. That lack of deposits is now striking harder than ever, at a time of disturbing liquidity.

With all this, the Central Bank ended in December with an accumulation of international reserves amounting to as much as 48.448 billion bolivares (in their national equivalent), a result, among other things, of not having paid anything to the creditor banks, leaving the package to the successor.

Of course, the disaster of this imbalance on the part of Diaz Bruzual and LHC in the management of the national economy was reflected in the work force which, in 1983, was 13 percent smaller than in 1982; a horrifying figure to consider in the legacy that is upsetting us now.

The unemployment figure, despite being so high, has been reduced in the statistics by the transfer of the unemployed labor from the established sectors to informal jobs; but it has been shown clearly in the decline of productivity, as one might logically expect. The government helped to "disguise" the unemployment figures with a proliferation of public positions filled very hastily, which became more serious and brazen after the electoral defeat suffered by Caldera and COPEI, resoundingly, on 4 December. During the last 2 months of the COPEI government, thousands of "phantom" jobs were created in the public sector, distorting the unemployment statistics, leaving a heavy burden for the new government and infiltrating a factor of bureaucratic sabotage and upheaval that is currently striking it on different sides.

A great many more things should be said about this report: neglect in the bank rates, an opportunistic fiscal policy, overestimation of the budgetary income, employment at the end of 1983 from the collections anticipated for 1984 leaving the new government without funds, an accounting revaluation of the gold reserves

deposited in the Central Bank to "redeem" treasury bills, and the issuance of treasury bills to cover emergencies that should have been assigned for the next year (and the new government); in short, so many disasters.

The 1983 report of the Central Bank of Venezuela, signed by Diaz Bruzual himself, is required reading for those who want to know the real causes of the crisis that the country inherited in February of this year.

Venezuela: 1983

1. Unemployment rate: 13 percent
2. Price hikes: three times higher than in 1982
3. Decline of 6.691 billion bolivares in the oil income
4. Decline of 4.8 percent in the gross domestic product
5. Decline of 3.4 percent in non-oil industry

Source: Report of the Central Bank of Venezuela for the Year 1983

Signed: Leopoldo Diaz Bruzual

2909

CSO: 3348/572

BRIEF

LABOR OFFICIAL ON PRICE INCREASE--Valencia, 30 August--Dr Arturo Moya La Rosa, vice minister of labor, stated here in a brief address that he delivered at a ceremony held at the General Motors company, where the incorporation into that firm by a group of new workers to comply with the national government's Decree 179 was announced, that the time has come to speak to the nation clearly, because further price hikes for items of prime necessity will inevitably come. He said that the decree with which General Motors is now complying is a materialization of President Lusinchi's constant effort to counter the greatest crisis that the country has ever had, particularly in the area of unemployment. "The idle labor in the country amounts to about 1.2 million unemployed, and with this measure we hope to reduce it by at least 250,000. Furthermore, as a labor official I am gratified by the holding of this function by a serious business firm, to convincingly demonstrate the interest of Venezuelan business owners in eradicating unemployment." He claimed that the need to raise prices is a result and consequence of the new exchange for our currency, and called for the implementation of new methods for improving the wages of those workers. In this connection, he said that the minimum wage should be increased by at least 1,500 bolivares per month. "In Venezuela, there must be a more just distribution of wealth, because it is impossible in a democratic system for some people to be impoverished while others are overly comfortable. Here, 20 percent of the wealth is distributed among 80 percent of the population, and 80 percent of the wealth reaches only 20 percent of our inhabitants." [Text] [Caracas EL NACIONAL in Spanish 31 Aug 84 p D-18] 2909

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